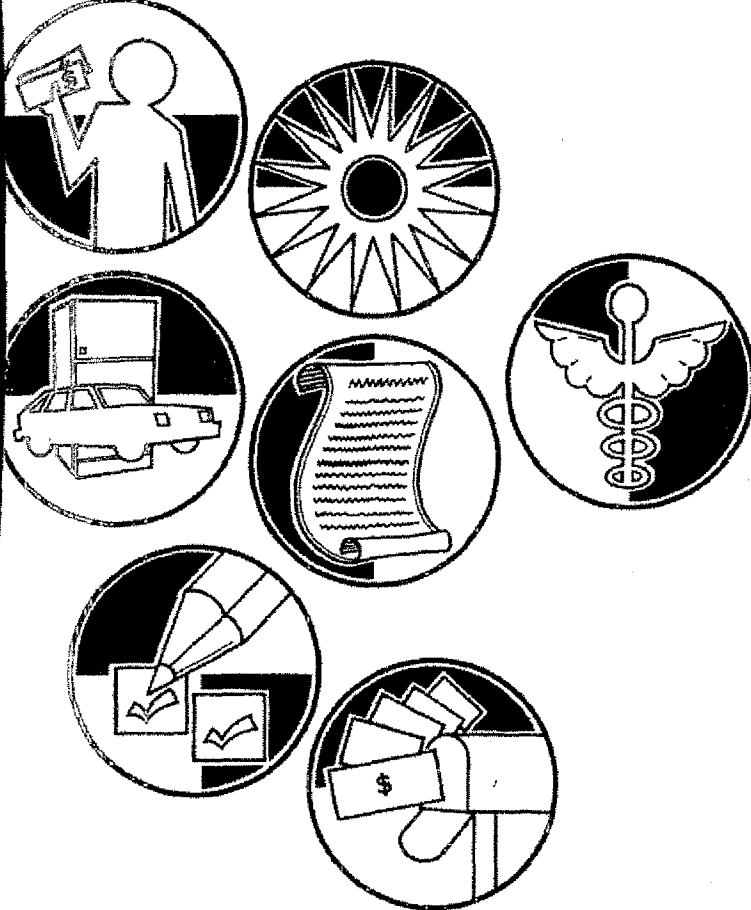


**Annex L**




1977 Retirees

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 **YOUR BENEFITS  
IN RETIREMENT**

for General Motors Salaried Retirees  
and Eligible Survivors



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As a General Motors salaried retiree eligible to receive benefits under the GM Retirement Program for Salaried Employees, you have one of the finest, most comprehensive retiree benefit programs in industry. Information in this booklet applies to General Motors salaried retirees and their eligible dependents, and it is designed to answer your questions concerning the ways in which your GM benefits can help you and your dependents. ***It should be kept available as a reference source to answer your questions.*** The booklet also discusses Social Security benefits. The information in this booklet will help you to better understand the protection available to you as a GM retiree or to your eligible survivors.

Some, but not all, of the information in this booklet also applies to eligible surviving spouses of deceased employees or retirees. Information applicable to eligible surviving spouses is so noted in the text of the booklet.

This booklet does not apply to individuals who terminated their employment with General Motors prior to being eligible to retire but who may be eligible to receive a deferred vested retirement benefit.

After reading this booklet you may have a specific question which is not answered. If so, you may wish to contact the Salaried Personnel Department at the GM location where you or your deceased spouse last worked.

Each of the benefit plans has its own terms and conditions which in all respects control the eligibility and payment of benefits mentioned.

From time to time you may receive information concerning changes in your benefits. You may wish to keep the information you receive with this booklet so that you always will have up-to-date information concerning your benefits readily available.



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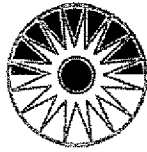


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## ***Your Retirement Income***

Any retirement benefits which you may be eligible to receive as a General Motors retired employee or surviving spouse are provided under the Salaried Retirement Program in effect when you or your deceased spouse retired. The benefit amounts have been increased from time to time depending on the date you retired.

Your GM Retirement Program is made up of two parts — Part A and Part B.

Any Part A benefits which you may be receiving are non-contributory. The entire cost of providing these benefits is paid for by General Motors. The benefits provided under Part A of the Program are comparable to those provided under the hourly-rate employees' pension plan.

Any Part B benefits which you may be receiving are in addition to any Part A benefits you may be receiving. Eligibility for Part B benefits required that you contributed while eligible and left your contributions in the Program until retirement. While you must have contributed in order to have participated in Part B of the Program, General Motors paid the entire cost of the supplementary benefit and most of the cost of the primary benefit — the two components of the Part B benefit.

Further information regarding benefits which may be payable to your surviving spouse in the event of your death begins on page 23 of this booklet.

GM retirement benefits generally are in addition to Social Security benefits (see page 10). References to Social Security in this booklet are based on the Federal law in effect in June 1977.

Below are answers to questions which have been asked by retirees and surviving spouses. If you do not find an answer to your specific question, you may wish to contact the Salaried Personnel Department at the GM location where you or your deceased spouse last worked.

### **What Determines the Amount of Retirement Benefits Under Part A of the Retirement Program?**

The items used in the calculation of any monthly Part A retirement benefit include the following:

- Type of retirement
- Date of retirement
- Benefit rate
- Number of years of credited service
- Age at date of retirement
- Whether the Part A surviving spouse option was elected.

The information used to calculate your monthly retirement benefit is set forth on your copy of Form SRP-117, Authorization of Monthly Part A Benefits and Part B Supplementary Benefits. This form was signed, and a copy was given to you or your deceased spouse, at retirement.

### **What Are the Various Parts of the Part A Retirement Benefit?**

Each monthly Part A retirement benefit is composed of one or more of the following:

- Basic benefit — (see below)
- Supplement (see page 6)
- Temporary benefit (see page 6)
- Special benefit (see page 6)

### **What Is a Part A Basic Benefit and How Is It Determined?**

The basic benefit is a lifetime benefit payable to a retired employee. It also is the amount on which any Part A survivor's benefit is based.

The basic benefit amount is determined by the various items listed opposite. It is shown on your retirement authorization form.

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#### What Are Part A Supplements and Who Is Eligible to Receive Them?

You generally are eligible to receive a monthly retirement supplement if you retired after 1964 and before you reached age 65. Any supplement would be in addition to any basic and temporary benefits for which you may be eligible. Supplements generally are reduced when you become age 62. When you attain age 65, supplements generally cease to be payable.

#### Are Part A Retirement Supplements Reduced for Reasons Other Than Age?

Yes. If you are receiving an early retirement supplement prior to age 65, any increase in your basic benefit will be offset by a corresponding decrease in your supplement. However, after you cease to be eligible for this supplement, any increase in your basic benefit will result in a higher level of lifetime monthly benefits for you.

Any supplement payable to you prior to age 65 will be reduced for earnings in excess of the amount you can earn without reduction of Social Security benefits. For example, if you earn more than \$3,000 in 1977, your supplement will be reduced by \$2 for each \$1 of your earnings above \$3,000.

If you retired voluntarily and become eligible for a Social Security Disability Insurance Benefit, any supplement you are entitled to receive before age 62 (age 65 if you retired before June 1974) will be reduced. The amount of the reduction will equal the amount of the temporary benefit (see opposite) in effect at the time of your Social Security Disability Insurance Benefit award.

***If you become eligible for a Social Security Disability Insurance Benefit or if you earn more than the amount permitted by Social Security, you immediately should advise the Salaried Personnel Department at the GM location from which you retired. This will help prevent an overpayment of GM benefits which you would have to repay.***

In addition, any Part A supplements are reduced by any monthly Part B supplementary benefit payable to you.

#### When Am I Eligible for Part A Temporary Benefits?

If you retired prior to age 62 (age 65 if you retired before June 1974) because of total and permanent disability, under conditions mutually satisfactory to you and General Motors, as a "special early" retirement, or at the option of General Motors, you may be eligible to receive a monthly temporary benefit. The temporary benefit would be in addition to any Part A basic benefits or supplements for which you may be eligible.

The temporary benefit is payable to age 62 (age 65 if you retired before June 1974). In no event, however, will the temporary benefit be payable after you become eligible, or could have become eligible, for a Social Security Disability Insurance Benefit. If you are approved for Social Security Disability Insurance Benefits, the temporary benefits cease to be payable, even if you subsequently cancel your Social Security Disability Insurance Benefit. The amount of the monthly temporary benefit is based on your years of credited service at retirement, up to 25, and your retirement date.

#### When Do I Become Eligible for the Part A Special Benefit?

Each retired employee and eligible surviving spouse who is age 65 or over and receiving a Part A basic retirement benefit, or survivor benefits related to Part A, is eligible to receive a special benefit of \$7.20 a month. This benefit also is payable, upon application to General Motors, to a retiree or surviving spouse receiving a GM Part A basic retirement benefit who is under age 65 and enrolled in Part B of Medicare.

Not more than one special benefit is payable to any individual for any one month.

#### What Are the Various Parts of the Part B Retirement Benefit?

Each monthly Part B benefit includes a primary benefit. It also may include a supplementary benefit.

The primary benefit is based on a percentage of the actual contributions you may have made to Part B of the Retirement Program.

The supplementary benefit is based on a percentage of your average monthly base salary



over the 60 months immediately preceding retirement (120 months if you retired before October 1, 1970) times the number of years you were a participant under Part B.

#### What Determines the Amount of Retirement Benefits Under Part B of the Retirement Program?

Any benefits you may be receiving under Part B of the Retirement Program are based on the following:

- Type of retirement
- Date of retirement
- Number of years of credited service
- Age at date of retirement
- Whether you contributed at all times while eligible
- The amount of your contributions in the Program
- Average monthly base salary over the 60 months immediately preceding retirement (120 months if you retired before October 1, 1970)
- Whether the Part B surviving spouse option was elected.

The authorization form for any Part B primary benefit payable is Form SRP-17. Monthly Part B supplementary benefits are shown on Form SRP-117. A copy of any applicable form was given to you or your deceased spouse at retirement.

#### If I Did Not Contribute to My Retirement Under Part B, Is the Part A Benefit Affected?

Your monthly Part A basic benefit is the same whether or not you contributed under Part B.

#### What Happens to the Money That I Contributed to Part B of the Retirement Program?

Your contributions and the Corporation's contributions were paid over to the Metropolitan Life Insurance Company. These monies are invested by Metropolitan and payments are made to a retiree, surviving spouse or designated beneficiary according to the terms of the Program.

#### May I Assign Any of the Benefits Under the Retirement Program to Another Person?

You cannot assign your rights under the Retirement Program to anyone else.

#### Does My Monthly Benefit Amount Increase?

Most retirees have received increases in their monthly Part A basic retirement benefit at various times since their retirement.

For example, an individual who retired with 25 years of credited service at age 65 in 1969 with a monthly basic retirement benefit of \$137.50 receives a monthly Part A basic retirement benefit of \$233.75 in 1977.

The Part A supplement, temporary benefit and special benefit also have been increased at various times.

Benefits provided under Part B of the Retirement Program also have been increased at various times.

Increases for eligible surviving spouses are proportionate to retiree increases.

You will be notified of the amount of any increase in advance of the date the increase becomes effective.

#### What Should I Know About Total and Permanent Disability Retirement?

If you retired because of total and permanent disability, your monthly Part A basic retirement benefit is the same as if you had retired at age 65. It is based on your credited service at the time of your disability retirement. In addition, if Social Security determines that you are not eligible for disability benefits under the Social Security Act, you may receive a monthly temporary benefit from GM (see page 6).

If you are under age 65 and are receiving a total and permanent disability retirement benefit, this benefit will cease to be payable if you (i) are no longer totally and permanently disabled or (ii) become gainfully employed for purposes other than rehabilitation. You should notify the GM location from which you retired if either of these events occur.

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#### Can I Change My Type of Retirement After My Retirement Effective Date?

No. The type of retirement under which you retired will be retained throughout your retirement years.

#### Can My Retirement Benefits Be Reduced for Workers Compensation I Receive?

Workers Compensation benefits paid to retired employees will be deducted from Part A retirement benefits otherwise payable. However, Workers Compensation payments paid under a claim filed within two years after the breaking of credited service will not be deducted.

This deduction also is applicable to any supplementary benefits you may be receiving under Part B of the Retirement Program.

#### What If My Spouse Dies or We Are Divorced?

If you have a survivor option in effect as discussed on page 23, you may revoke the survivor option in the event your designated spouse dies or you are divorced by final court decree. Generally your Part A basic benefit would be restored to the amount payable without the option. Any such restoration is effective the third month after proper notice and documents are submitted to General Motors.

Part B benefits are not restored to the amount payable without the option in the event you outlive your spouse. Consent of General Motors and/or the Metropolitan Life Insurance Company is necessary for any revocation of a Part B survivor option while your spouse is alive.

#### When Will I Receive My Monthly GM Retirement Checks?

Retirement checks are mailed by the Trustee to the retiree, surviving spouse or a designated bank two business days prior to the end of each month. Part B benefits payable by Metropolitan Life Insurance Company are handled in a similar manner. Therefore, you should receive your checks during the first week of the next month. If you do not receive your checks within 10 days from the first of any month, you should contact the GM location where you or your deceased

spouse last worked. If you have a banking agreement, you should contact the bank prior to contacting your former employing location. After you notify the GM location of a missing check, a stop payment will be placed on it. Thereafter, a new check will be issued to you, normally within 10 business days.

#### What Is a Banking Agreement and Am I Eligible to Have One?

A banking agreement is an arrangement you may elect so that your monthly retirement checks will be deposited directly into your bank account. If you are interested in a banking agreement, ask your bank if they have facilities for such a procedure. If your bank permits this procedure, contact the GM location where you or your deceased spouse last worked to obtain the required banking agreement forms. You then can arrange to have your retirement checks deposited directly into your bank account.

#### Whom Should I Notify If I Have an Address Change?

You should notify the GM location where you or your deceased spouse last worked anytime you change your address. You should notify the GM location of the address change even though you have a banking agreement. A correct home address helps to ensure that you, as a GM retiree or a surviving spouse, will receive information sent to you by General Motors.

If you are receiving benefits under Part B of the Retirement Program, you should inform Metropolitan Life Insurance Company of your new address on a form provided with your monthly Part B check.

#### What Information Is Needed to Identify My Particular Retirement File?

Whenever you write to the GM location where you or your deceased spouse last worked, or to General Motors, you should include your plant code-retirement number. Your plant code-retirement number is shown below the "Pay to the Order of" on the left side of each monthly trustee retirement check you receive. In addition, the SRP-117 and SRP-17 authorization forms you signed at retirement, and were given a copy of, include your plant code-retirement number.



If you do not know your plant code-retirement number, you should identify the GM location from which you retired whenever you write regarding your benefits.

#### Are My Retirement Benefits Subject to Federal Income Taxes?

The Internal Revenue Service has taken the position that retirement benefits under both the insured portion of the Program (Part B primary benefits) and the trustee portion of the Program (Part A and Part B supplementary benefits) should be combined and considered as received under a single plan. Under this position, if the total of such benefits received within three years from the first payment are expected to equal or exceed your contributions to the Program, all benefits under the Program should be excluded from gross income until an amount equal to your contributions has been received. The amount of your contributions is noted on your copy of Form SRP-17 which was signed and a copy given to you or your deceased spouse at retirement. Once an amount equal to your contributions has been received under the Program, all subsequent benefit payments would be fully includable in gross income.

If the aggregate benefits received within this three-year period will be less than your contributions to the Program, each benefit payment you receive will consist of two parts: (a) a return of your contributions and (b) taxable income. In general, the portion considered to be a return of your contributions, and thus tax free, is determined by multiplying the benefits received by a calculated percentage. The percentage may be obtained by dividing your net contributions to the Retirement Program by the total amount it is estimated (through use of life expectancy tables provided by the Internal Revenue Service) you and your survivor annuitant, if any, will receive under the Program as of the date the benefits commence.

If you are receiving benefits under Part A only (or benefits under Part A and only supplementary benefits under Part B), the entire amount of such benefits will be taxable as ordinary income when received since all of the contributions toward the cost of these benefits were made by General Motors. If you retired because of total and permanent disability and are under age 65,

you may be eligible for a limited exclusion from income.

For further information relative to the Federal income tax status of your retirement benefits, you may wish to consult your tax advisor or the instructions for U.S. Individual Income Tax Return (Form 1040) covering pension and annuity income.

#### What About State and Local Income Taxes?

Your retirement benefits may be subject to State and local income taxes. However, not all State and local jurisdictions impose an income tax on individuals. In addition, other jurisdictions exempt all or a portion of retirement payments from tax. Because of these differences, you should consider any taxability of your retirement benefits in light of the laws in effect in your particular State and local jurisdiction.

For further information relative to the tax status of your retirement benefits, you may wish to consult instructions for applicable State and local income tax returns, or your tax advisor.

#### Is Any Withholding of Income Tax Made From My GM Benefits?

Federal income tax will not be withheld from GM retirement benefits paid to you unless you request it. If you wish to have Federal income tax withheld from your GM retirement benefits, you must request withholding on U. S. Treasury Form W-4P. This form is available at your local Internal Revenue Service office. You should carefully read the instructions to the form before completing it. The completed form should be sent to General Motors Corporation, Insurance and Pension Section, Room 7-135, 3044 West Grand Boulevard, Detroit, Michigan 48202. Once begun, withholding will continue until you request in writing that it be terminated, or until you file a new Form W-4P increasing or decreasing the amount of withholding.

The Retirement Program Trustee and the Metropolitan Life Insurance Company are required to file a Statement for the Recipients of Annuities, Pensions, or Retired Pay, Form W-2P, with the Internal Revenue Service with respect to each person who receives retirement benefits of \$600 or more from each payer during a calendar

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year or who receives any amount and has Federal tax withheld. A copy of the form filed with the Internal Revenue Service, if any, will be furnished to you. If you receive less than \$600 and do not have Federal tax withheld, a statement of benefits paid to you during the year will be furnished to you.

#### What About My Social Security Benefits?

Your Social Security benefits generally are in addition to GM retirement benefits for which you might be eligible. You and General Motors contributed equally to the cost of Social Security benefits. Social Security old age benefits may begin as early as age 62 in a permanently reduced amount. Benefits are payable in full if they begin at or after age 65.

Your Part A basic retirement benefits generally are not affected by your eligibility for Social Security. However, the early retirement supplements or temporary benefit are reduced or eliminated when you become eligible for a Social Security Disability Insurance Benefit.

If you retired under the GM Retirement Program because of total and permanent disability, under conditions mutually satisfactory to you and General Motors, as a "special early" retirement, or at the option of General Motors, and become eligible for a Social Security Disability Insurance Benefit, you should notify the GM location from which you retired to prevent an overpayment of GM benefits which you would have to repay.

#### What About Social Security Benefits for My Spouse?

Your spouse may be eligible for a Social Security benefit based on his or her own wage record. If not so eligible, your spouse's monthly Social Security benefit will be equal to one-half of your unreduced monthly Social Security benefit, if your spouse is age 65. Your spouse may receive a permanently reduced benefit as early as age 62. A reduced widows or widower's benefit is payable as early as age 60.

#### How Do I Find Out What My Monthly Social Security Benefit Will Be?

Questions concerning Social Security should be

referred to the Social Security Administration office nearest to where you live.

The following table shows current maximum monthly Social Security benefits payable for retirement in various years. The table is based on the Federal law in effect in June 1977.

Maximum Monthly Social Security Old Age Benefits for Retirement at Age 65			
Year of Retirement	Monthly Benefit Amount		
	Retiree	Spouse	Total
	\$	\$	\$
1951	236	118	354
1955	288	144	432
1960	296	148	444
1965	306	153	459
1970	333	170	509
1975	365	193	578
1976	410	205	615
1977	437	219	656

NOTE: Amounts are rounded to nearest dollar. In all instances, you and your spouse are assumed to be the same age. You and your spouse may receive lower benefits from Social Security than those shown above if you earned less than the maximum amount subject to Social Security taxes or if either of you had not attained age 65 at retirement.

#### When Can I Receive Social Security Disability Benefits?

If you are disabled, you may be eligible to receive Disability Insurance Benefits from Social Security at any age before age 65. These benefits equal your accrued Social Security benefit payable as if you were age 65. Your nearest Social Security office can tell you if you qualify. Benefits may be payable after you have been disabled for five full calendar months. However, you do not have to wait five months to apply.

**If you become eligible for Disability Insurance Benefits, you immediately should notify the Salaried Personnel Department at the GM location from which you retired.** This notice is necessary to avoid any overpayment of retirement benefits which you would have to repay.





## ***Your Health Care Benefits***

The GM Insurance Program provides protection for you and your eligible dependents against a wide range of health care expenses. GM health care coverages have been changed from time to time through the years and are subject to change in the future. Coverage may be continued for your eligible surviving spouse in the event of your death as discussed on page 24.

Various organizations called carriers provide health care benefits. These carriers are local Blue Cross and Blue Shield plans, the Metropolitan Life Insurance Company, and the Connecticut General Life Insurance Company. Your carriers generally are the same carriers that provided health care benefits while either you, or your deceased spouse, was working.

Alternative health care coverages, providing benefits which may differ from those shown below, are offered at your option through a Health Maintenance Organization (HMO) or other group practice plan in some areas. If you live in one of these areas, you will be notified. Descriptive materials of benefits provided under alternative coverages are available at the insurance office at the GM location where you or your deceased spouse last worked and from the HMO or group practice plan.

Your health care benefits cover most hospital, surgical-medical, prescription drug, dental, and hearing aid expenses. If you or any of your dependents are age 65 or older (or qualify because of disability) and are covered under the Federal Medicare Program, your coverage under the GM Insurance Program is adjusted automatically on the date Medicare coverage becomes effective. See page 17 for details.

Set forth below are answers to many questions concerning basic health care benefits. Answers to questions concerning the Comprehensive Medical Expense Insurance Program begin on page 15. If you have any questions concerning your health care benefits that are not answered, you may wish to contact the Salaried Personnel Department at the GM location where you or your deceased spouse last worked.

### **Are My Health Care Coverages Continued While I Am Retired?**

Your basic health care coverages will be provided at GM's expense for your lifetime (except for voluntary retirement as early as age 55 and prior to age 60 when combined years of age and credited service total less than 85, or for retirement as early as age 60 and prior to 65 without retirement benefits).

If you retired voluntarily as early as age 55 and prior to age 60 when your combined years of age and credited service totaled less than 85, you may continue your basic health care coverages for your lifetime provided you pay the full cost.

During periods that basic coverages are in effect, you also may continue your Comprehensive Medical Expense Insurance Program coverage by making the monthly contributions applicable to retirees (see page 15).

### **What Are My Benefits if I Am in a Hospital?**

Hospital coverage provides benefits for the following care and services:

- up to 365 days of needed care in a semi-private room in a participating hospital for general conditions, including maternity care;
- up to 45 days of needed care in a hospital for nervous and mental conditions, or in an approved residential substance abuse treatment facility;
- payment for most medical needs in a hospital or approved facility, such as supplies, drugs, dressings, anesthesia, x-rays, laboratory tests, intensive care, and routine nursery care;
- up to \$70 per day for room, board, and all covered services in a general acute care hospital which does not participate with Blue Cross (up to \$15 for other than a general acute care hospital).

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#### What About Hospital Outpatient Services?

Payment is made for most services in the outpatient department of a hospital, such as:

- o treatment of accidental injuries and certain medical emergencies, surgery, physical therapy (up to 60 treatments, per condition, per year which also may be performed in an approved facility other than a hospital), and use of an artificial kidney machine, iron lung and similar equipment;
- o up to 35 outpatient treatments per year in an approved substance abuse treatment facility (limited to 140 lifetime treatments);
- o up to \$1,000 per calendar year for outpatient psychiatric services when billed by an approved facility.

#### What Services Are Covered in a Nursing Home?

Up to 730 days of needed care (other than custodial care) is provided in an approved nursing home for general conditions -- up to 90 days for nervous and mental conditions.

#### Suppose I Need Home Care?

Benefits are provided in those areas which have approved home care programs. When recommended by your physician, payment is made for necessary skilled nursing and home health aides.

#### What Surgical-Medical Services Are Covered?

Benefits are provided for physicians' reasonable and customary charges as determined by the insurance carrier for:

- o surgery and anesthesia, including pre- and post-operative care;
- o obstetrical delivery, including pre- and post-natal care;
- o in-hospital consultation and technical surgical assistance;
- o in-hospital medical care by the doctor in charge of the case and doctor's medical visits at the rate of two per week for up to 730

days in an approved nursing home for general conditions;

- o radiation therapy and chemotherapy for malignant conditions;
- o necessary diagnostic x-rays, laboratory, and pathology services;
- o laboratory testing for an annual pap smear;
- o outpatient treatment of accidental injuries and certain medical emergencies;
- o outpatient psychiatric services, including family counseling, subject to a copayment of 10% for the sixth through the tenth visits and a 25% copayment for all subsequent visits, and up to \$75 for psychological testing. Payment is limited to \$1,000 per calendar year in combination with expenses for outpatient psychiatric services in an approved facility.

#### Are Prosthetic Appliances Covered?

Benefits are provided for the purchase, fitting, and repair of certain external prosthetic appliances which replace a body part or the functions of a permanently malfunctioning body part. These prosthetic appliances must be prescribed by a licensed physician and furnished and billed by a hospital or an approved facility.

#### Suppose I Need a Wheelchair or Other Durable Medical Equipment?

Benefits are provided for the purchase or rental of certain durable medical equipment (such as hospital beds, crutches, or wheelchairs) when prescribed by a licensed physician. This equipment must be necessary for treatment of a medical condition, and be provided and billed by a hospital, nursing home, or professional provider such as a pharmacy or medical supply house.

#### How Do I File a Claim for Hospital or Surgical-Medical Benefits?

If you have Blue Cross and Blue Shield coverage, just show your identification card (and your Medicare card, if you have Medicare) when you go to a hospital, residential or outpatient treatment facility, nursing home, physician, or other provider of covered services, and your claim will be filed for you.



No deposit should be required for covered services in Blue Cross participating hospitals, nursing homes, or other facilities. The hospital or other facility is paid directly by Blue Cross (and Medicare, if applicable). Blue Shield generally pays physicians directly.

In any situations where a provider of a covered service is not paid directly by Blue Cross or Blue Shield, you should submit the charges to the office of the Blue Cross or Blue Shield Plan in which you are enrolled. If you have Medicare, include a copy of the Explanation of Benefits statement which indicates the amount Medicare has paid toward the charges incurred.

If your insurance carrier is Metropolitan Life Insurance Company, obtain a claim form from the insurance office at the GM location where you or your deceased spouse last worked. Complete the upper portion of the form and have the hospital, residential or outpatient treatment facility, nursing home, physician or other provider of covered services complete the lower portion. Either you or the provider of services can submit the completed form to Metropolitan.

Payment will be made directly to the provider unless you have paid all or part of the charges for service, in which case payment will be made to you by Metropolitan. In the case of hospital coverage provided by Metropolitan, payment always will be made to you unless you authorize Metropolitan to pay the facility directly.

In either case, if you have Medicare, read the notice attached to Metropolitan's claim form for the procedures to be followed.

#### Does My Coverage Pay for Prescription Drugs?

Benefits are provided for the purchase of drugs which require prescription by a licensed physician under federal law and for injectable insulin. A \$3 copayment is applicable for each prescription order or refill.

Quantities are limited to a maximum of a 34-day supply per prescription, except for certain maintenance drugs which may be dispensed in 100 or 200 unit doses. Most pharmacies have a listing of these maintenance drugs.

Drugs purchased from a participating pharmacy will be billed directly to the carrier by the pharmacy.

Participating pharmacies display a Blue Shield or Metropolitan sign which indicates that the pharmacy participates under the Prescription Drug Plan.

If you purchase drugs from a non-participating pharmacy, you will be required to pay the full charge and file a claim with your carrier. You will be reimbursed 75% of the reasonable and customary charge, less the \$3 copayment for each prescription. Claim forms may be obtained from the GM location where you or your deceased spouse last worked.

#### Is Dental Coverage Included?

Dental coverage is provided for retirees, surviving spouses, and their eligible dependents. A surviving spouse will be eligible for dental coverage only during periods for which General Motors contributes the full cost of basic health care coverages.

Benefits are provided up to an annual maximum of \$750 per person for other than orthodontics (teeth straightening) during any benefit year (October 1 through September 30), and up to a lifetime maximum of \$650 for orthodontics for covered individuals under age 19.

Benefits are based on the reasonable and customary charges of dentists as determined by the carrier. Metropolitan Life Insurance Company is the dental carrier for Michigan retirees and eligible surviving spouses. Connecticut General Life Insurance Company is the dental carrier for retirees and eligible surviving spouses from employing locations outside Michigan.

#### What Are the Dental Services Covered and the Benefits Payable?

Benefits are payable at 100% of the reasonable and customary charge for:

- o Oral examinations and prophylaxis (cleaning of teeth), but not more than twice in any benefit year;
- o Topical application of fluoride;
- o Emergency treatment for temporary relief of pain.

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Benefits are payable at 90% of the reasonable and customary charge for:

- o Dental x-rays, including full mouth x-rays (but not more than once in any period of thirty-six consecutive months) and bitewing x-rays (but not more than twice in any benefit year);
- o Extractions and oral surgery, except when provided in conjunction with orthodontic treatment;
- o Amalgam, silicate, acrylic, synthetic porcelain, and composite fillings;
- o General anesthetics and intravenous sedation when medically necessary and administered in connection with oral or dental surgery;
- o Endodontic (nerve and pulp) and periodontal (gum) treatment;
- o Repair of crowns, bridgework or dentures, and relining or rebasing of dentures more than six months after installation, but not more than one relining or rebasing in any period of thirty-six consecutive months;
- o Inlays, onlays, gold fillings, or crowns, but only when the tooth cannot be restored with an amalgam or other filling.

The remaining 10% of the reasonable and customary charge is a copayment payable by you.

Benefits are payable at 50% of the reasonable and customary charge for:

- o Initial installation of fixed bridgework;
- o Initial installation of removable dentures, including any adjustments during the six-month period following installation;
- o Replacement of an existing denture or fixed bridgework, but only when:
  - (a) the replacement or addition of teeth is required to replace one or more teeth extracted after the existing denture or bridgework was installed; or
  - (b) the existing denture or bridgework cannot be made serviceable and, if it was installed under this coverage, at least 5 years have elapsed prior to the replacement; or
  - (c) the existing denture is an immediate temporary denture which cannot be made

permanent and replacement by a permanent denture takes place within 12 months from the date of initial installation of the immediate temporary denture;

- o Orthodontic diagnostic procedures and treatment (including related oral examinations, surgery and extractions) for individuals under age 19.

The remaining 50% of the reasonable and customary charge is a copayment payable by you.

#### How Do I File a Claim for Dental Benefits?

Dental claim forms and instructions are available to dentists in areas where General Motors has employees. Most dentists will file your claim for you with the appropriate carrier. However, if your dentist does not have a claim form, you may obtain one from the GM location where you or your deceased spouse last worked.

If a course of treatment is expected to involve dental expenses amounting to \$125 or more, your dentist should file a description of the procedures to be performed and an estimate of the charges with the carrier prior to the commencement of treatment.

The carrier will notify the dentist of estimated benefits payable with consideration given to alternative procedures that may be performed in order to accomplish the desired results.

You should discuss with your dentist the treatment plan, his fee, and the estimated dollar amount of benefits **before** treatment begins.

#### Are Benefits Available for Hearing Aids?

GM health care coverages include benefits to provide hearing aids for retirees, surviving spouses, and their eligible dependents.

To obtain benefits you **must** first be examined by an ear specialist (Otologist or Otolaryngologist) to determine if your hearing problem is caused by a condition which may be corrected by use of a hearing aid. **The cost of this examination is not a benefit.**

If the examination by an ear specialist determines that your hearing problem may be corrected by use of a hearing aid, benefits will be



provided for the following services once during any period of 36 consecutive months **only when all such services are obtained from a participating provider:**

- Audiometric examination,
- Hearing aid evaluation test (up to \$40), and
- One hearing aid (acquisition cost and dispensing fee). However, only the particular hearing aid prescribed as a result of the hearing aid evaluation test will be covered.

Benefits are provided for an ear mold, necessary fitting and adjustment of the hearing aid, and a follow-up examination to determine the effectiveness of the hearing aid.

#### How Do I File a Claim for Hearing Aid Benefits?

Participating providers generally will have the necessary forms to file a claim and will benefit directly by the carrier.

In order to receive benefits, it is important that you obtain hearing aid services **only** from participating providers since no benefits are payable for hearing aid services unless you do. Ask the provider if he is participating **before** you receive services. If you need the name of a participating provider, inquire at the GM location where you or your deceased spouse last worked, or from the Blue Shield Plan in which you are enrolled, or from Metropolitan, as applicable.

#### Am I Covered for Vision Care?

No. Retired employees and surviving spouses are not eligible for vision care coverage.

#### Can I Transfer My GM Basic Health Care Coverages If I Move?

If you have changed your permanent residence to an area served by a Blue Cross-Blue Shield plan other than the one with which you were enrolled before moving, and your new residence is located in an area served by a Blue Cross-Blue Shield plan in which GM salaried employees are enrolled, you may wish to transfer your basic health care coverages to the plan that serves the area where you now live. You also may wish to transfer your dental coverage to the dental carrier that provides coverage in the area

where you now live. If so, contact the GM location where you or your deceased spouse last worked for information as to how and when a transfer of coverage may be accomplished.

#### Are There Special Arrangements for Arizona and Florida Residents?

Yes. If you are enrolled with a Blue Cross-Blue Shield Plan and reside in Arizona or Florida for at least four full months in any twelve-month period, you may elect to participate in the Arizona or Florida servicing program. This program will facilitate the payment of benefits for covered hospital and doctor services and prescription drugs received in Arizona and Florida. If you are interested in this program, you should contact the GM location where you or your deceased spouse last worked.

#### What Is the Comprehensive Medical Expense Insurance Program?

Comprehensive Medical Expense Insurance coverage provides you, your eligible dependents and surviving spouse with supplemental and major medical benefits. This coverage is offered through the Connecticut General Life Insurance Company. These benefits add to the protection you are provided by the basic coverages described earlier.

You pay part of the cost of this additional coverage, based on the schedule below. General Motors pays the major portion of the cost.

Monthly Contributions	
Coverage	Retiree or Surviving Spouse
Single	\$ 1.15
Two Party	2.25
Family	2.75

#### What Are Supplemental Benefits?

Supplemental benefits generally are available when basic coverages do not meet, in full, the charge for services. For example, if doctors' reasonable charges for surgery or anesthesia, as determined by Connecticut General, exceed the amount allowed by your basic coverages, you may qualify for full or partial reimbursement of your out-of-pocket expenses.

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Supplemental benefits, when payable, are not subject to the deductible and coinsurance provisions described below under Major Medical Benefits.

#### What Major Medical Benefits Are Covered?

Major medical benefits offer additional protection when the basic and supplemental benefits described above have either been exhausted or are not applicable.

Major medical benefits cover reasonable charges, less deductible and coinsurance amounts (as described later), for necessary medical services and supplies, including those listed below which are not generally covered by your basic coverages:

- Physicians' non-surgical services out of hospital;
- Up to \$25 a day toward the difference in cost between a semi-private and a private hospital room;
- Professional private duty nursing care;
- Blood;
- Professional ambulance service when medically necessary;
- Semi-private hospital charges after the maximum duration allowed under basic coverage (generally 365 days) has been exhausted;
- Semi-private nursing home charges for acute therapeutic care after the maximum duration allowed under basic coverages (generally 730 days) has been exhausted;
- Dental work and dentures made necessary by an accident (to the extent not covered under the Dental Plan);
- Inoculations;
- Physical examinations including laboratory tests;
- Voluntary sterilizations;
- Copayments made under basic coverage for prescription drugs;
- Up to \$150 a day, less amounts payable by basic coverage, for confinement in a hospital

operated primarily for care of nervous or mental conditions;

- Up to \$15 a day for confinement in an approved nursing home or other approved facility, if the confinement is custodial in nature.

#### Must I Pay for Part of the Charge for Services?

Under the Comprehensive Medical Expense Insurance Program you pay a deductible amount of \$50 toward covered expenses which are incurred each calendar year for the same individual. This \$50 is called the individual deductible amount. In meeting this amount, you can add up all your covered expenses for the same individual, whether they relate to one condition or to a number of different conditions.

However, if covered expenses incurred by two or more family members equal \$100 (the family deductible amount), no additional deductible amount will be applied against expenses incurred by any of your other family members for that calendar year. No more than \$50 of covered expenses for any one family member can be applied toward the \$100 family deductible amount.

Any covered expenses incurred in October, November or December of any calendar year which are applied to the deductible amount for that year and therefore are not reimbursable may be applied to the deductible amount for the following calendar year.

After you pay the deductible amount, your major medical insurance pays 80% of the next \$2,500 of covered expenses incurred during one calendar year. It pays 100% of covered expenses which exceed \$2,500, except covered expenses for outpatient psychiatric care which continue to be payable at 80%. The 20% which you must pay is called coinsurance.

The maximum reimbursement amount is \$25,000 per calendar year for each individual. There is no lifetime maximum.

#### How Do I File a Claim Under the Comprehensive Medical Expense Insurance Program?

You previously should have received a booklet "How to File A Claim" which provides



instructions and helpful hints on how to file a claim. If you do not have a copy of this booklet, you may obtain one from the location where you or your deceased spouse last worked or from Connecticut General.

You should file a claim when your out-of-pocket expenses exceed the \$50 deductible amount for an individual or \$100 for your family. You also should file a claim any time doctors' charges for surgery or anesthesia exceed basic coverage payments, regardless of the amount. However, if your covered expenses are small, you may find it more convenient to postpone filing until the end of the calendar year. In any event, claims should be filed no later than 90 days following the end of the calendar year in which expenses were incurred.

When you are ready to file a claim, you should obtain the necessary forms from the GM location where you or your deceased spouse last worked or from Connecticut General. However, there are things you should do routinely before you reach the point when you know you will have a claim to file:

- Keep all bills and receipts for medical services incurred by you or your insured dependents;
- Keep bills and receipts properly identified, separated by individuals, and in chronological order;
- See that bills or receipts are itemized and include patient's name, description of service or medical supply, date of service or purchase, and charges incurred;
- Keep basic coverage vouchers, and, if applicable, Medicare Explanation of Benefit vouchers, with appropriate bills or receipts;
- Be sure drug receipts include prescription number, name of patient, date of purchase and amount of charge;
- Be sure that receipts for medical supplies, equipment, private duty nursing, physical therapy, or other services not performed by a physician are supported by certification of the attending physician that such supplies, equipment or services are medically necessary.

It is your responsibility to accumulate your bills, receipts, and other supporting documents for a claim. By planning ahead, you can help yourself

obtain all the benefits to which you are entitled with a minimum of time and effort.

If you are in doubt as to whether you should file a claim, you are urged to submit a claim and allow the insurance carrier to determine benefits which might be payable.

#### What Do I Need to Know About Medicare Eligibility and Enrollment?

Medicare is a Federal health care program for individuals age 65 or older, and certain individuals under age 65 who qualify through receipt of Social Security Disability Insurance Benefits or after three months of dialysis treatment because of total kidney failure. Medicare has two parts: Part A, which provides hospital coverage, and Part B, which provides medical coverage. Enrollment for Part A is automatic. Enrollment for Part B is voluntary and requires a monthly contribution by you which you may have deducted from your Social Security check.

#### What Are My Medicare Benefits?

Medicare Part A can help pay for inpatient hospital care and for care in an approved skilled nursing facility, or for care in your own home through an approved home health care agency after an inpatient hospital stay.

Medicare Part B can help pay for physician's services, including home and office calls, outpatient hospital services, physical therapy, speech pathology, ambulance service, and other medical services and supplies.

A booklet containing details of Medicare benefits is available upon request from your nearest Social Security office. It is suggested that you obtain a copy of this booklet and familiarize yourself with the important information contained in it.

#### What Effect Does Medicare Have on My GM Insurance Benefits?

If you or one of your dependents is enrolled for Medicare, the GM basic health care benefits will be reduced by benefits payable for the same services under Medicare. Comprehensive Medical Expense benefits will be reduced by the amount of Medicare benefits payable for any individuals who are eligible for Medicare, whether or not enrolled in Medicare Part B.

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#### How Do Medicare and GM Insurance Benefits Work Together?

The Medicare program has deductible and coinsurance amounts which normally are payable by you. Your GM Insurance Program generally pays these Medicare deductibles and coinsurance amounts for you. However, if the deductible or coinsurance amounts apply toward Medicare benefits which are not covered benefits under the GM Insurance Program, the Insurance Program will not pay the applicable deductibles or coinsurance amounts for you.

#### Are Sponsored Dependents Eligible?

Your sponsored dependents (generally aged parents) may have the same basic health care coverages as you have except that dental coverage is not available to sponsored dependents. You pay the full cost for sponsored dependent coverage.

#### What Does Coordination of Benefits Mean?

To avoid duplicate payment for benefits in the event an individual is covered by more than one employer plan, a Coordination of Benefits provision is included in all health care coverages under the GM Insurance Program so that benefits payable under this Program, when combined with any other group plan benefits, are limited to the total allowable expenses incurred by the patient during any claim determination period.

#### What Is Subrogation?

In the event that any payment for benefits is made by a health care carrier under the GM Insurance Program for benefits which are legally determined to be payable by a third party, such carrier shall acquire all of the rights of recovery as a result of a settlement or judgment brought against such third party or organization, except against insurers on policies issued in the name of the retiree or dependent. This process is called subrogation.

#### Are There Any Exclusions or Limitations With Respect to Health Care Coverages?

Certain services and charges with respect to health care coverages are excluded or limited.

A complete description of exclusions and limitations applicable to each benefit provided under the GM health care coverages may be found in the appropriate benefit certificates and any riders thereto or similar documents provided by the carriers.

#### Are Certificates Available?

The foregoing is intended only as an outline of your GM health care coverages. Actual governing provisions are contained in the applicable benefit certificates and any riders thereto or similar documents provided by the carriers which are available to you upon request from the insurance office at the GM location where you or your deceased spouse last worked or from your local Blue Cross or Blue Shield plan, Metropolitan, or other carrier, as applicable.





## In The Event of Your Death

In the event of your death after retirement, benefits may be payable to your survivors under the Insurance Program and under the Retirement Program. Life insurance benefits available under the Insurance Program are discussed below. Information concerning survivor's benefits available under the Retirement Program begins on page 23. Information concerning health care benefits for your survivors begins on page 24.

### INSURANCE BENEFITS IN THE EVENT OF YOUR DEATH

Life insurance benefits are provided by the Metropolitan Life Insurance Company. Benefits available to you and your eligible survivors are those provided under the Insurance Program in effect when you last worked for General Motors.

Set forth below are answers to questions concerning life insurance benefits that may be payable under the Insurance Program. If you have a specific question about life insurance benefits that is not answered here, you may wish to contact the Salaried Personnel Department at the GM location where you last worked.

#### Do I Have Basic Life Insurance Coverage as a Retiree Before Age 65?

Most retirees have Basic Life and Extra Accident Insurance continued during retirement prior to age 65 without cost to them. However, retirees who retired voluntarily as early as age 55 and prior to age 60 when combined years of age and credited service totaled less than 85 must contribute 50 cents per month for each \$1,000 of Basic Life Insurance in force until age 65.

Insurance is not continued for a retiree who receives a payout of Basic Life Insurance because of total and permanent disability (as described on page 26).

In addition, if Basic Life and Extra Accident Insurance are continued (as described above), Survivor Income Benefit Insurance (SIBI) also may be continued, depending on when the retiree last worked, when retirement benefits commenced, and the provisions of the GM Retirement Program for Salaried Employees in effect when the employee retired. If SIBI is continued, no contributions beyond any required for Life and Extra Accident Insurance are necessary. (See pages 20 and 21 for a further explanation of Survivor Income Benefit Insurance.)

#### How Much Basic Life Insurance Do I Have as a Retiree Before Age 65?

If you are insured, the amount of your Basic Life Insurance before age 65 is approximately 24 times your monthly base salary at retirement. Extra Accident insurance, in an amount equal to one-half of your Basic Life Insurance, also may be payable for death by accidental means.

#### What Happens to My Basic Life Insurance When I Reach Age 65?

If you are insured and have 10 or more Years of Participation when you reach age 65, your Basic Life Insurance is reduced and continued without cost to you for your lifetime. At age 65, your Extra Accident and Survivor Income Benefit Insurance, if any, are canceled.

#### How Much Basic Life Insurance Will I Have After Age 65?

Starting at age 65, your Basic Life Insurance is reduced each month by 2% of the amount in force at age 65. This reduction continues until the amount of insurance equals the amount in force at age 65 times 1-1/2% for each Year of

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Participation up to 20 years. If you last worked on or after January 1, 1974, this 20 year maximum is not applicable.

For example, a retiree with 20 Years of Participation who had \$24,000 of Basic Life Insurance at age 65 would have \$7,200 of Continuing Life Insurance after all reductions, computed as follows:

$\$24,000 \times 1-1/2\% \times 20 \text{ years} = \$7,200$ .

If you last worked on or after November 22, 1976, the minimum amount of Continuing Life Insurance will be \$2,500. If you last worked prior to that date, the minimum amount will be \$2,000.

#### Will I Be Notified of the Amount of My Basic Life Insurance?

Yes. When you reach age 65, you will be notified what the amount of your Continuing Life Insurance will be after all reductions (as described on page 19) have been made. An additional notice will be sent to you when the final amount of Continuing Life Insurance has been reached.

#### To Whom Is My Basic Life Insurance Payable?

Your Basic Life Insurance, and any Extra Accident Insurance that may be payable, is payable to the latest beneficiary (or beneficiaries) that you have designated, provided the beneficiary (or beneficiaries) is alive at your death. If you are uncertain who your beneficiary is, you may wish to contact the Salaried Personnel Department at the GM location from which you retired.

#### What Options Does My Beneficiary Have With Regard to Receiving My Basic Life Insurance When I Die?

Your beneficiary may receive the Basic Life Insurance in one lump sum payment or under any of the settlement options made available by the Metropolitan Life Insurance Company.

#### May I Change My Beneficiary?

Yes. You may change your beneficiary (or beneficiaries) at any time (unless you have assigned your Basic Life Insurance to someone else, in which case the assignee has the right to designate the beneficiary).

To change a beneficiary, contact the Salaried Personnel Department at the GM location from which you retired.

#### What Should I Do If My Designated Beneficiary Dies?

You should immediately contact the Salaried Personnel Department at the GM location from which you retired. ***It is important for you to name a new beneficiary if your present beneficiary dies.***

If there is no beneficiary living at the time of your death, the Basic Life Insurance may be paid to your estate or in a manner other than that which you may have desired. This could result in legal and tax problems for your survivors.

#### In Addition to Basic Life Insurance, Are Any Other Insurance Benefits Available to My Survivors Under the Insurance Program?

Your survivors may be eligible for certain Survivor Income Benefits if you are insured for Survivor Income Benefit Insurance (SIBI). Optional Group Life Insurance also may be available if you are insured for such coverage (see page 21).

#### What Is Survivor Income Benefit Insurance (SIBI)?

SIBI provides monthly income payments to an eligible survivor following the death of an insured retiree. An eligible survivor may receive transition and/or bridge survivor benefits.

#### What Are Transition Benefits?

Transition benefits are monthly payments made to an eligible survivor of an insured retiree who last worked on or after January 1, 1974. Benefits are payable for up to 24 months following the death of the retiree. These benefits may be paid to an eligible spouse, dependent children, or dependent parents, in that order.

The amount of the transition benefit depends on when the retiree last worked and whether survivors are eligible for certain Social Security Benefits.



#### What Are Bridge Benefits?

Bridge benefits are monthly payments made to a surviving spouse of an insured retiree until the surviving spouse dies, remarries, or attains age 62 or such lower age at which full widow's or widower's insurance benefits or old age insurance benefits become payable under Social Security.

The amount of the bridge benefit depends on when the retiree last worked.

Bridge benefits are not payable for any month in which a surviving spouse could qualify for a mother's or father's insurance benefit under Social Security, whether or not she or he actually receives the mother's or father's benefit.

To receive bridge benefits a surviving spouse must meet age and other eligibility requirements.

#### If My Spouse Is Eligible to Receive Survivor Income Benefits Under the Insurance Program, May She (or He) Also Receive Survivor Benefits Under the Retirement Program?

A surviving spouse cannot receive Survivor Income Benefits (SIBI) and a benefit under Part A of the Retirement Program at the same time. However, a surviving spouse may waive any right to receive SIBI in order to receive a higher survivor benefit under Part A of the GM Retirement Program.

For example, if the monthly surviving spouse benefit under Part A of the Retirement Program exceeds the monthly SIBI amount, the survivor may wish to waive SIBI and receive the higher retirement benefit.

If you have any questions about how this waiver provision would apply, contact the Salaried Personnel Department at the GM location from which you retired.

A surviving spouse can receive a benefit under Part B of the Retirement Program at the same time she (or he) is receiving SIBI under the Insurance Program.

#### May Optional Group Life Insurance Be Continued After Retirement?

Yes. The amount of Optional Group Life Insurance for which you were insured at retirement may be continued to age 65 while your Basic Life Insurance remains in force. You must contribute the full cost of Optional Group Life Insurance. The Salaried Personnel Department at the GM location from which you retired can advise you of the current contribution rate for your age group. Rates are subject to change.

#### May Optional Group Life Insurance Be Continued After Age 65?

Yes. The amount of Optional Group Life Insurance in force on your 65th birthday is reduced by 20% at age 66 and by a like amount each year to age 70. You are required to contribute for the coverage remaining in force. No Optional Group Life Insurance is provided after the end of the month in which you attain age 70.

#### May the Beneficiary for Optional Group Life Insurance Be Changed After Retirement?

Yes. You have the right to designate your beneficiary (or beneficiaries). The beneficiary need not be the same as the one designated for your Basic Life Insurance. However, if an applicant owner or assignee is the owner of the Optional Group Life Insurance on your life, then the applicant owner or assignee has the right to designate the beneficiary.

Additional information concerning Optional Group Life Insurance is available in the folder which describes this coverage.

#### May I Continue Dependent Group Life Insurance After Retirement?

Yes. You may continue Dependent Group Life Insurance if you are enrolled for at least \$5,000 of Optional Group Life Insurance and have an eligible dependent. You must contribute the full cost of Dependent Group Life Insurance. The Salaried Personnel Department at the GM location from which you retired can advise you of the current contribution rate for your age group. Rates are subject to change.

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**Is There Any Reduction in the Amount of  
Dependent Group Life Insurance  
at Age 65?**

No. If Optional Group Life Insurance is continued, Dependent Group Life Insurance may be continued without reduction until you reach age 70. You must contribute the full cost of Dependent Group Life Insurance.

**May I Change the Beneficiary on My  
Dependent Group Life Insurance?**

No. You are the beneficiary for Dependent Group Life Insurance. Benefits are payable to you in a lump sum if an eligible dependent should die from any cause while you are enrolled for Dependent Group Life Insurance.

An eligible dependent includes your spouse, and dependents over 14 days of age who are eligible to be covered for basic health care coverages (excluding sponsored dependents).

Additional information concerning Dependent Group Life Insurance is available in the folder which describes this coverage.

**What If I Change My Address?**

If you should change your address, it is important that you notify the Salaried Personnel Department at the GM location where you last worked. If you are receiving Extended Disability Benefits or a payout of your Basic Life Insurance, you also should notify:

Metropolitan Life Insurance Company  
General Motors Disability Claims  
Group Life Claims Division (8VW)  
One Madison Avenue  
New York, New York 10010

Whenever you write to the GM location where you last worked or to Metropolitan, you should include your Social Security number, and, if a claim number is involved, the claim number.

**May I Continue My Personal Accident  
Insurance After Retirement?**

Yes. Personal Accident Insurance may be continued on yourself and any eligible dependents for your lifetime, by paying the required premiums. However, after you are age 70, insurance in force on each person insured may not exceed \$50,000. Detailed information concerning Personal Accident Insurance is contained in the booklet, "Personal Accident Insurance".

**What Happens to My Basic Life  
Insurance, Optional and Dependent  
Group Life Insurance or Personal  
Accident Insurance If I Fail to Make  
a Required Contribution?**

If you fail to make a required contribution, your Basic Life Insurance, Optional and Dependent Group Life Insurance or Personal Accident Insurance shall cease at the end of the month preceding the month for which the applicable contribution was due.

**What Must My Beneficiaries Do to  
Receive Life Insurance Benefits When  
I Die?**

Any beneficiary must make a claim on a form provided by General Motors. The procedure is the same for Basic Life and Extra Accident benefits, Survivor Income Benefits, Optional and Dependent Group Life benefits and Personal Accident benefits. To do this, the beneficiary should contact the Salaried Personnel Department at the GM location from which you retired.



## RETIREMENT PROGRAM BENEFITS IN THE EVENT OF YOUR DEATH

Following are answers to questions which you may have concerning any survivor benefits that may be payable under the Retirement Program. If you have any additional questions, you may wish to contact the Salaried Personnel Department at the GM location where you or your deceased spouse last worked.

### Are Any Survivor's Benefits Payable Under the Retirement Program When I Die?

If you retired on or after January 1, 1962, you may have provided a lifetime benefit for your surviving spouse in the event of your death. The survivor option under Parts A and B of the Program generally became effective at retirement if you then were married.

### What Happens to the Part B Contributions When I Die?

In the event you die prior to receiving the guarantee under Part B of the Program and have not elected to provide a surviving spouse benefit under Part B, your designated beneficiary will be paid at least the remaining amount of your contributions plus interest to the date of your death.

### How Does My Election of a Survivor Option Affect My Benefit?

Any monthly Part A and Part B retirement benefits are reduced if you have a surviving spouse option in effect. The percent of reduction depends upon the difference in the ages of you and your spouse and your date of retirement.

### How Much Is the Survivor Benefit Under the Retirement Program?

The amount of any monthly benefit payable to an eligible surviving spouse generally is based on a percentage of the benefit payable to the retiree. The amount of any monthly survivor benefit that may be payable is shown on your copy of Forms SRP-117 and SRP-17, Authorizations of Monthly Benefits, which you, or your

deceased spouse, signed at the time of retirement. You have been advised of any increases in the amount of the survivor benefits which have occurred since you or your deceased spouse retired.

### Can My Spouse Receive Survivor Benefits Under the Retirement and Insurance Programs at the Same Time?

Survivor benefits under Part A of the Retirement Program are not payable in any month for which the survivor receives Survivor Income Benefit Insurance (SIBI) payments under the Insurance Program. However, the survivor may elect to waive any right to receive SIBI under the Insurance Program in order to receive a higher survivor benefit, if any, under Part A of the Retirement Program (see page 21).

Survivor benefits under Part B of the Retirement Program may be payable at the same time as SIBI benefits under the Insurance Program.

### If I Rejected the Survivor Option, Will the Option Be Available to Me at a Later Date?

No. The surviving spouse option is no longer available to a retiree who rejects it.

### If I Retired Before the Age I Could Have a Survivor Option, Will I Be Contacted When Eligible?

Yes. If you retired prior to the earliest eligible age for the survivor option, you will be contacted by General Motors just before the survivor option will become available to you. At that time you must provide proof of your marriage and your spouse's age in order for the option to become effective.

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**Can I Revoke the Part A Survivor Option If My Spouse Dies or We Are Divorced?**

Yes. As indicated on page 8, you must provide GM a copy of the death certificate or a certified copy of the final court decree of divorce. Revocation of the Part A survivor option is effective the first of the third month following receipt by General Motors of evidence satisfactory to General Motors of your spouse's death or your divorce.

**What Is a "Special" Survivor Option?**

In 1968 certain retirees who did not have a regular survivor option were given an opportunity to elect a Special Survivor Option to provide survivor benefits for their designated

spouse. This special option, if elected, now provides a lifetime monthly survivor benefit of \$3 for each year of the deceased retiree's credited service, reduced if the retiree retired early at his or her option.

**Must My Survivor Apply In Order to Receive Any Survivor's Benefit Under the Retirement Program?**

No. If you die while the surviving spouse option is in effect, survivor benefits under the Retirement Program become payable automatically on the first of the month following the month in which you die. However, as noted on page 23, survivor benefits under Part A of the Retirement Program are not payable in any month for which your survivor receives SIBL payments under the Insurance Program.

**HEALTH CARE BENEFITS IN THE EVENT OF YOUR DEATH**

Set forth below are answers to questions that have been asked concerning health care benefits available to your survivors. If you have any additional questions, you may wish to contact the Salaried Personnel Department at the GM location where you or your deceased spouse last worked.

**Will Health Care Coverages Be Continued for My Survivors When I Die During Retirement?**

When you die during retirement, your surviving spouse will be eligible for continued health care coverages (except Vision Care). These coverages may be continued for your surviving spouse and your eligible dependent children.

General Motors will continue to pay for basic coverages and for most of the cost of Comprehensive Medical Expense Insurance Program coverage. However, if you retired voluntarily as early as age 55 and prior to age 60 and your combined years of age and credited service totaled less than 85, your surviving spouse will be required to pay the full cost of these coverages.

Coverages will be continued for the lifetime of the surviving spouse of a deceased retiree even if the surviving spouse remarries.

**My Spouse Died While Employed. Am I Eligible for Health Care Coverages?**

If your deceased spouse was eligible to retire voluntarily under the GM Retirement Program for Salaried Employees at the time of death, health care coverages for you and your eligible dependent children will be continued in the same manner as they would be continued for the survivors of an individual who died during retirement.

If your deceased spouse was **not** eligible to retire voluntarily at the time of death but had elected the surviving spouse option under Part B and had at least 10 years of credited service under the Retirement Program, you and your eligible dependent children are eligible for continued health care coverages (except Vision Care). General Motors will continue to pay for basic coverages and for most of the cost of Comprehensive Medical Expense Insurance Program coverage. However, coverages will cease if you remarry or die.





## If You Are Disabled

If you were disabled at the time you retired, you may be receiving Extended Disability Benefits under the Insurance Program. You also may be eligible for a payout of your Basic Life Insurance. If you become disabled while retired, you will not be eligible to receive Extended Disability Benefits; however, you may be eligible for a payout of your Basic Life Insurance if you become totally and permanently disabled before age 60. These disability insurance benefits are provided through the Metropolitan Life Insurance Company. The benefits available to you are those provided under the Insurance Program in effect when you last worked for General Motors.

If you were retired under the total and permanent disability provisions of the General Motors Retirement Program, your retirement benefits are discussed on page 7. If you become disabled while retired, your retirement classification will not change, but you may have changes in your retirement benefits as discussed on page 6.

Set forth below are answers to questions concerning Extended Disability and Total and Permanent Disability Benefits that may be payable under the Insurance Program. If you have a specific question about Extended Disability Benefits or payout of Life Insurance that is not answered here, you may wish to contact the Salaried Personnel Department at the GM location where you last worked.

### If I Am Receiving Extended Disability Benefits, How Do I Continue to be Eligible?

You must submit proof of your continuing disability as requested by the Insurance Company.

If you last worked on or after January 1, 1968, but before January 1, 1974, you must be totally and continuously disabled so as to be unable to engage in any gainful occupation or employment for which you are reasonably qualified by education, training or experience. If you last worked on or after January 1, 1974, you must be totally and continuously disabled so as to be unable to perform in regular employment at the GM location where you last worked. In any event, you must not be regularly employed.

### What Is the Maximum Period Extended Disability Benefits Will Be Payable?

If you last worked on or after January 1, 1974 and had 10 or more Years of Participation under the Insurance Program when your disability commenced, monthly Extended Disability Benefits (EDB) may be payable until you reach age 65.

If you last worked on or after January 1, 1968 but prior to January 1, 1974, or if you last worked on or after January 1, 1974 and had less than 10

Years of Participation under the Insurance Program at the beginning of your disability, monthly Extended Disability Benefits are payable for a period equal to your Years of Participation under the Insurance Program at the beginning of your disability less the period for which you received Sickness and Accident benefits or salary continuation payments. EDB is not payable beyond age 65.

### How Is the Amount of My Extended Disability Benefit Determined?

The amount of your monthly Extended Disability Benefit is 60% of your monthly base salary in effect at the time you last worked prior to becoming disabled (50%, if you last worked before January 1, 1974).

Extended Disability Benefits are reduced by any Part A benefits and Part B supplementary benefits (see pages 5 through 7) for which you may be eligible under the Retirement Program and by any benefit for which you are eligible under a GM Pension Plan. Benefits also are reduced by governmental benefits such as Social Security Disability Insurance Benefits or unreduced Old-Age Insurance Benefits, and any Federal, State, or Workers Compensation lost-time disability benefits for which you may be eligible.

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**What Effect Does Entitlement to Social Security Have on My Extended Disability Benefits?**

Monthly Extended Disability Benefits are reduced by Social Security Disability or Old-Age Insurance Benefits to which you may be entitled for the same period. EDB is not reduced for receipt of old-age benefits reduced because of the age at which received.

**If I Am Receiving Extended Disability Benefits and I Become Eligible for Social Security Benefits, What Should I Do?**

You should immediately notify:

Metropolitan Life Insurance Company  
General Motors Disability Claims Section  
Group Life Claims Division (8VW)  
One Madison Avenue  
New York, New York 10010

This notice is necessary to avoid an overpayment of EDB which you would have to repay. Notification also is necessary to provide you with additional benefits if your benefits have been reduced by a presumed amount of Social Security that is greater than the amount of Social Security to which you are actually entitled. You should submit a copy of the award notice you receive from Social Security that tells you the amount of benefits and the date you became eligible.

**If a Social Security Award Provides Benefits for a Period for Which I Have Already Received Extended Disability Benefits, What Effect Will This Have on My Extended Disability Benefits?**

If Extended Disability Benefits have been overpaid, you will be required to repay Metropolitan Life Insurance Company. Any overpayment may be recovered by reducing your future monthly Extended Disability Benefits or by your direct payment to Metropolitan. If you are required to make a repayment, you will be notified of the amount.

If Extended Disability Benefits have been reduced by a presumed amount of Social Security and the amount of Social Security you actually received is less than the amount deducted, you will receive an additional amount from Metropolitan.

**If I Should Become Totally and Permanently Disabled After Retirement, Will I Be Eligible for Any Other Benefits Under the Insurance Program?**

If you are insured for Basic Life Insurance (as described on page 19), you may be eligible to receive a payout of your Basic Life Insurance if you become totally and permanently disabled before age 60. To be eligible for a payout of your Basic Life Insurance you also must have last worked:

- (1) prior to January 1, 1974 and have 10 or more Years of Participation when you become totally and permanently disabled, or
- (2) on or after January 1, 1974 and have less than 10 Years of Participation when you become totally and permanently disabled.

**How Do I Apply for a Payout of Basic Life Insurance If I Become Totally and Permanently Disabled Before Age 60?**

You must make a claim on a form provided by General Motors. Claim forms are available at the GM location from which you retired. You also must submit proof of your disability as requested by the Insurance Company. If you need help in completing a claim form, contact the Salaried Personnel Department at the GM location from which you retired.

**If I Am Eligible for a Payout of My Basic Life Insurance, How Will It Be Paid?**

If your application for a payout of Basic Life Insurance is approved, your Basic Life Insurance will be canceled and an amount equal to the amount of your Basic Life Insurance in force when you became disabled, but not in excess of \$100,000, will be paid. If you last worked on or after January 1, 1974, such payment will be made in monthly instalments in an amount equal to the final monthly Extended Disability Benefit amount payable. If you last worked prior to January 1, 1974, such payment will be made in 60 monthly instalments at a monthly rate of \$20 for each \$1,000 of Basic Life Insurance.



**When Will the Payout of My Life Insurance Commence?**

Generally, the payout of Basic Life Insurance to which you may be entitled because of total and permanent disability commences as soon as Metropolitan approves your claim. However, if you are entitled to Extended Disability Benefits, the payout of Life Insurance will be deferred until the expiration of the period for which Extended Disability Benefits could be payable.

Further, if you last worked prior to January 1, 1974, you may permanently waive your right to receive Extended Disability Benefits in order to receive a payout of your Basic Life Insurance.

**If the Insurance Company Questions Whether I Continue To Be Disabled for Extended Disability Benefits or a Payout of My Life Insurance, What Must I Do?**

You may be asked to be examined by a doctor, clinic, or other medical authority for the purpose of verifying disability at any time you may be eligible to receive Extended Disability Benefits or a payout of Basic Life Insurance. Failure to report for the examination may affect your eligibility for benefits. You will be reimbursed at 13¢ per mile for travel to and from the examination if your residence is 40 or more miles from the examiner's office.

**If I Have Received or Am Receiving a Payout of My Basic Life Insurance, Will Any Further Benefit Be Payable to My Beneficiary If I Die?**

If you die before receiving all of the installments, your beneficiary would receive the unpaid balance. Further, if you last worked prior to January 1, 1974 and receive all of your installments, a death benefit of \$500 is payable to your beneficiary at the time of your death.

**If I Am or Become Totally and Permanently Disabled but I Am Not Eligible for a Payout of My Basic Life Insurance Under the Eligibility Requirements, What Happens to My Basic Life Insurance?**

If you are or become totally and permanently disabled but you are not eligible for a payout of

your Basic Life Insurance, any Basic Life Insurance for which you are insured will be continued without cost to you to age 65. At age 65, your life insurance will start reducing as explained on pages 19 and 20.

**If I Am Eligible for a Payout of My Basic Life Insurance Because of Total and Permanent Disability, but the Amount of My Basic Life Insurance Exceeds \$100,000, What Happens to the Amount Over \$100,000?**

If you last worked on or after January 1, 1974, the amount of your Basic Life Insurance in excess of \$100,000 will be canceled immediately prior to the commencement of the monthly payments and you will be entitled to convert at your expense all or part of the excess amount to an individual policy during the 31 days following cancellation of your insurance coverage. If you decide to convert such insurance, any type of life insurance policy, except term insurance, then being issued by the Metropolitan Life Insurance Company may be selected. Application may be made at any local office of the Metropolitan Life Insurance Company or at its home office, One Madison Avenue, New York, New York 10010.

If you last worked prior to January 1, 1974, the amount of your Basic Life Insurance in excess of \$100,000 will be continued subject to reductions when you reach age 65 as described on pages 19 and 20.

**What If I Change My Address?**

If you change your address, you should notify the GM location from which you retired. If you are receiving Extended Disability Benefits or a payout of your Basic Life Insurance because of total and permanent disability, you also should notify:

Metropolitan Life Insurance Company  
General Motors Disability Claims Section  
Group Life Claims Division (8VW)  
One Madison Avenue  
New York, New York 10010

Whenever you write to the GM location where you last worked or to Metropolitan, you should include your Social Security number, and, if a claim number is involved, the claim number.

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## **Information Related to the Employee Retirement Income Security Act of 1974 (ERISA)**

### **What Are the Types of Plans Under Which Benefits Are Provided?**

The GM Retirement Program is a defined benefit plan providing trustee and insured retirement benefits for employees who retire, and to their eligible survivors. The GM Insurance Program is an insured welfare benefit plan providing life and disability insurance to employees, as well as health care coverages to employees and their eligible dependents.

Retirement Program trustee benefits are provided through the National Bank of Detroit. All life and disability benefits and Retirement Program insured benefits, as well as basic health care benefits for certain employees, are provided through the Metropolitan Life Insurance Company. Health care benefits for other employees are provided through other insurance companies, a number of local plans providing these coverages, and Health Maintenance Organizations. General Motors is responsible for administration of the plans described herein.

### **Who Pays for My Benefits?**

General Motors pays the full cost of Part A of the Retirement Program. General Motors also pays the full cost of any Basic Life Insurance continued in retirement (except as noted on page 19). In addition, General Motors contributes most of the cost of Part B of the Retirement Program and the Comprehensive Medical Expense Insurance Program.

Moreover, General Motors pays the full cost of any basic health care coverages that are continued for most retired employees and for eligible surviving spouses and children of deceased retirees. A surviving spouse age 65 or older who is not enrolled for Part B Medicare coverage is not eligible for General Motors payment for any health care coverages. Retired employees pay the full cost of health care coverages for sponsored dependents; the cost is determined by the applicable carrier.

Other programs made available by General Motors, the full costs of which are borne by retirees, are Optional Group Life Insurance, Dependent Group Life Insurance, and Personal Accident Insurance.

### **When Does the Plan Year End?**

December 31 is the end of the plan year for the Insurance Program. Records of this plan are kept on a calendar year basis. The Retirement Program plan year ends on September 30. Retirement records are kept on a fiscal year basis ending September 30.

### **Who Is the Named Fiduciary?**

The Finance Committee of General Motors Corporation is the Named Fiduciary of the plans described herein.

### **Who Is the Administrator?**

General Motors Corporation is the sponsoring employer and administrator of the benefit plans described in this booklet. The administrator's address is Room 7-133, General Motors Building, Detroit, Michigan 48202.

### **What Are the Identification Numbers?**

General Motors' employer identification number is 38-0572515. The Retirement Program's identification number is 001. The Insurance Program's identification number is 501. The Comprehensive Medical Expense Insurance Program's identification number is 504.

### **What About Serving of Legal Process?**

Service of legal process on General Motors Corporation may be made at any office of the CT Corporation System. The CT Corporation System, which maintains offices in all 50 States, is the statutory agent for service of legal process



on GM. The procedure for making such service generally is known to practicing attorneys. Service of legal process also may be made upon the administrator at Room 15-253, General Motors Building, Detroit, Michigan 48202.

#### What Are My Rights as a Participant?

As a participant in General Motors benefit plans you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled by law to:

Examine, without charge, at the plan administrator's office and at other locations, all plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the plan with the U.S. Department of Labor, such as annual reports and plan descriptions.

Obtain copies of all plan documents and other plan information upon written request to the plan administrator. The administrator may make a reasonable charge for the copies.

Receive a summary of the plan's annual financial report.

#### What Are the Fiduciaries' Responsibilities?

In addition to creating rights for plan participants, ERISA imposes duties upon the persons

who are responsible for the operation of employee benefit plans. These persons are referred to as "fiduciaries" in the law. Fiduciaries have a duty to operate benefit plans prudently and in the interest of you and other plan participants and beneficiaries.

If your claim for a benefit is denied in whole or in part you will receive a written explanation of the reason for the denial. You have the right to a review and reconsideration of your claim.

If you request materials and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.

If you should file suit for any reason, the court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about this statement or about your rights under ERISA, you may wish to contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

#### Who Are the Trustees?

Trustees of the Retirement Program, who accumulate assets through which trustee retirement benefits (Part A and Part B Supplementary) are provided, are as follows:

Bank of America, N.T. & S.A.  
Bank of America Center Box 37000  
San Francisco, California 94137

Bankers Trust Company  
280 Park Avenue  
New York, New York 10017

Chase Manhattan Bank, N.A.  
1211 Avenue of the Americas  
New York, New York 10036

Mellon Bank, N.A.  
Mellon Square  
Pittsburgh, Pennsylvania 15230

Morgan Guaranty Trust Company of N.Y.  
9 West 57th Street  
New York, New York 10019

National Bank of Detroit  
611 Woodward Avenue  
Detroit, Michigan 48232

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Citibank, N.A.  
153 East 53rd Street  
New York, New York 10022

Harris Trust & Savings Bank  
111 West Monroe Street  
Chicago, Illinois 60690

The First National Bank of Boston  
P.O. Box 1882  
Boston, Massachusetts 02106

The First National Bank of Chicago  
One First National Plaza  
Chicago, Illinois 60670

Insured retirement benefits (Part B Primary) are provided through the following insurance companies:

Aetna Life Insurance Company  
151 Farmington Avenue  
Hartford, Connecticut 06115

Prudential Life Insurance Company  
Prudential Plaza  
Newark, New Jersey 07101

Metropolitan Life Insurance Company  
One Madison Avenue  
New York, New York 10010

#### What Benefits Are Guaranteed?

Certain benefits under the GM Retirement Program are guaranteed by the Pension Benefit Guaranty Corporation (PBGC) if the plan terminates. However, the PBGC guarantees only normal-age retirement benefits, early retirement benefits (up to the amount accrued for normal retirement), and certain disability and survivor's pensions.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination.

However, if benefits have been increased within 5 years before plan termination, the benefit increases may not be guaranteed. No benefit increase that has been in effect for less than 12 full months before the plan terminates is guaranteed. Moreover, there is a statutory ceiling on the amount of an individual's monthly benefit that PBGC guarantees. You may wish to address any inquiries you may have to: Office of Communications, PBGC, 2020 K Street, N.W., Washington, D.C. 20006 (phone # (202) 254-4817).

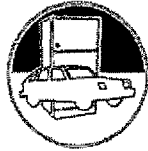
#### What If My Application for Benefits Is Denied?

If your application for benefits is denied in whole or in part, written notice will be made to you as

soon as practicable but no later than 90 days after receipt of your application. This notice will include specific reasons for the denial and will refer to the plan provisions upon which the denial is based. The notice also will include a description of any additional information that may be needed if the claim is to be resubmitted. An explanation of the procedure by which you may have your denied claim reviewed also will be included in the notice. The review procedure is summarized below.

Within 60 days after you receive the notice that your claim is denied in whole or in part, you may make a written request to have your claim reviewed. As part of the review you may submit any written comments that you feel may support your claim. You also may review pertinent documents related to your claim. A written decision on your request for review will be furnished to you within 60 days (120 days if special circumstances require an extension of time) after your written request for review is received. This written decision on the review will include the specific reasons for the decision and will set forth specific reference to plan provisions upon which the decision is based.





## Before You Purchase a New GM Vehicle or Appliance

As a salaried retiree, or the surviving spouse of a salaried retiree or employee, you are eligible to purchase new vehicles under the Employee Product Discount Plan and new appliances under the Frigidaire Salaried Rebate Program.

Answers to the most commonly asked questions concerning these programs are set forth below. If you do not find an answer to your specific question or if you wish to secure the required application form, you should contact the Product Discount Coordinator in the Salaried Personnel Department at the GM location where you or your deceased spouse last worked.

### What Are the General Eligibility Rules for the Employee Product Discount Plan?

- In order to be eligible, you must be retired under the provisions of the Salaried Retirement Program or be the surviving spouse of a salaried employee or salaried retiree. Separated employees who are receiving deferred vested benefits under the Retirement Program are not eligible. Surviving spouses who have remarried are not eligible.
- You must take delivery of your new vehicle through a franchised General Motors dealer.
- You apply for a product discount when ordering a vehicle. **Application forms for new vehicles must be secured from the Product Discount Coordinator in the Salaried Personnel Department at the GM location where you or your deceased spouse last worked.**
- You must retain any vehicle purchased under the plan at least until the end of that vehicle's model year production run (August 1 of each year), but in no case less than six months from the date of delivery.
- The privilege to obtain a discount under the vehicle purchase plan can be withdrawn in instances where the participant has violated the conditions of the Plan. In such cases, the participant first will be contacted individually and asked to explain the circumstances involved.
- General Motors may unilaterally modify, change or withdraw this Plan at any time.

### What Vehicles Are Eligible for Purchase Under the Employee Product Discount Plan?

All new cars, light duty trucks and GMC produced motorhomes may be purchased under the Plan.

### How Do I Use the Employee Product Discount Plan To Purchase a New Vehicle?

To purchase a new vehicle under the Employee Product Discount Plan you must:

- Obtain an order form from the Product Discount Coordinator in the Personnel Department at the GM location where you or your deceased spouse last worked. **Under this plan you cannot order your vehicle through a GM dealer.**
- Complete the order form (you may want to visit a GM dealership for assistance in selecting the appropriate model, options and accessories).
- Return the order form directly to the GM Product Discount Coordinator. The Coordinator will then forward the form to the applicable car or truck division and you will receive delivery of your new car, truck or motorhome through your local dealer at the product discount price.

### What Is the Discount Price for a Vehicle?

The amount of discount varies from vehicle to vehicle depending upon the model selected.

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The Product Discount Coordinator can provide you with the amount applicable to the vehicle you desire to purchase.

#### What Are the General Eligibility Rules for the Frigidaire Salaried Rebate Program?

- In order to be eligible, you must be retired under the provisions of the Salaried Retirement Program or be the surviving spouse of a salaried employee or salaried retiree. Separated employees who are receiving deferred vested benefits under the Retirement Program are not eligible. Surviving spouses who have remarried are not eligible.

The eligibility rules also include members of your immediate family such as parents, spouse's parents, and sons and daughters.

- You must purchase your new appliance from a franchised Frigidaire dealer.

- You must apply for an appliance rebate. ***Application forms for new appliances must be secured from the Product Discount Coordinator in the Salaried Personnel Department at the GM location where you or your deceased spouse last worked.***

- Appliances must be retained for one full year from the date of purchase.
- The privilege to obtain a rebate under the appliance purchase program can be withdrawn in instances where the participant has violated the conditions of the Program. In such cases, the participant first will be contacted individually and asked to explain the circumstances involved.
- General Motors may unilaterally modify, change or withdraw this Program at any time.

#### What Appliances Are Eligible for Purchase Under the Frigidaire Salaried Rebate Program?

Appliances purchased must be new models only. You may purchase appliances from these product categories:

- Compact Refrigerator
- Full Size Refrigerator
- Food Freezer

- Ranges — Free-standing or Wall Oven and Surface Unit or Compact 30's
- Microwave Oven
- Washer
- Electric or Gas Dryer
- Laundry Center
- Mobile or Undercounter Dishwasher
- Trash Compactor
- Food Waste Disposer
- Room Air Conditioner

#### What Rebate Am I Entitled To Receive When I Purchase an Appliance?

The rebate amount you are eligible to receive will vary depending on the product category and the model you select within that category. The Product Discount Coordinator can provide you with the actual amount.

#### How Do I Use the Frigidaire Salaried Rebate Program To Purchase a New Appliance?

- Select a franchised Frigidaire dealer of your choice based on your opinion of the best combination of price and service, then purchase your desired Frigidaire product(s) from the dealer you select.
- Obtain the Frigidaire product rebate application form from the Product Discount Coordinator in the Salaried Personnel Department at the GM location where you or your deceased spouse last worked.
- Complete the application form providing all information requested, attach your sales receipt to the application form and return both to the Product Discount Coordinator. The sales receipt **must** show the model number purchased.
- The Product Discount Coordinator will forward your application to Frigidaire Division and payment will be made directly to you by Frigidaire.

#### How Long Will It Take To Receive My Appliance Rebate?

- Your rebate check and your original sales receipt will be mailed back to you as quickly as processing will allow.



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- If your check does not arrive within a reasonable amount of time or if any questions or problems should develop, please write directly to:

Frigidaire Division, GMC  
P.O. Box 587  
Wright Brothers Branch  
Dayton, Ohio 45409

#### How Many Appliances May Be Purchased Each Year?

You may purchase one new model in each major product category each year except Room Air Conditioners. You may purchase four new model air conditioners each year.

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## A Check List of Important Items To Remember

INFORM the Salaried Personnel Department at the GM location where you or your deceased spouse last worked if . . .

- you change your address
- your marital status changes
- your dependents change
- your spouse dies\*
- your beneficiary dies\*
- you desire to change your beneficiary\*
- you have any earnings in excess of the amount permitted by Social Security without reduction of Social Security Benefits\*
- you, your spouse, or a dependent become eligible for Part B of Medicare
- you become eligible for Social Security Disability Insurance Benefits\*
- you desire to elect a Survivor Option and are eligible to do so\*
- you desire to have Federal income tax withheld from your retirement checks
- you desire to have a banking agreement
- you desire to purchase a vehicle through the Employee Product Discount Plan
- you want an application form for a new appliance rebate

USE your plant code — retirement number in all of your communications to General Motors. The numbers are found on your trustee retirement check and on your forms SRP-117 and SRP-17, Authorization of Monthly Benefits.

CONTACT your local Social Security office if you have any questions about Social Security or Medicare.

*\*Comment applies only to retirees.*



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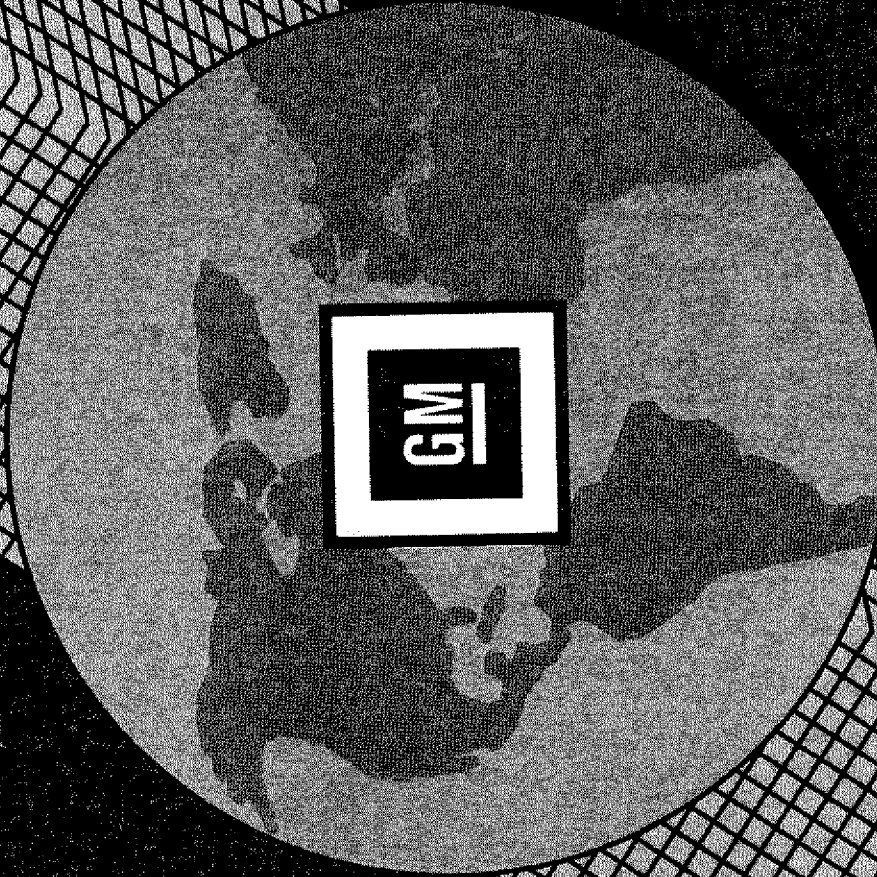
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**Annex M**



**Working With  
General  
Motors**





TO: GM U.S. Salaried Employees

"Working With GM" describes personnel policies and procedures that guide relationships as we work together in General Motors. Also, it highlights many of the advantages enjoyed by GM salaried employees, their responsibilities and the opportunities available for those prepared to accept them.

Historically, a job with General Motors has meant good pay, good benefit plans and good working conditions. Now, unlike ever before, it also means much more. The competition that has emerged in our industry demands that we be increasingly responsive to the marketplace in the production and marketing of world-class quality products. These worldwide competitive challenges constitute not only immense and potentially dangerous business risks, they are also the source of unparalleled opportunities for our business and new dimensions for us as individual employees. Meeting these competitive challenges and capitalizing on these opportunities is a responsibility shared by the Corporation and each of us as individuals.

Acceptance of the necessary risks and responsibility will provide ample opportunity for you to achieve the satisfaction and reward that can be gained from a job that requires and receives your best efforts. We cannot underestimate the sense of pride that is enjoyed by individuals who are part of a great enterprise with outstanding products. The individual and team excellence each of us brings to our assignments are the primary ingredients that will provide each of us with the opportunity to develop our abilities, reach our career objectives and have them recognized and rewarded by a competitive compensation package which includes provisions for individual choice and tax effectiveness in your personal financial planning.

In moving forward, it is important for you to know the personnel policies and procedures that apply to you. "Working With GM," we think, provides a clear summary of the most significant of these policies and procedures and we are pleased to make it available to you.

Personal success and enjoyment of work are in direct proportion to accomplishment. On behalf of the entire GM management team, I wish you the very best in achieving a full measure of both.

Sincerely,



William P. MacKinnon  
Vice President  
Personnel Administration  
and Development Staff



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## INTRODUCTION TO WORKING WITH GENERAL MOTORS A Handbook for Salaried Employees in the United States

During your career with General Motors, you will probably have questions about the salaried personnel policies and procedures that apply to you. The purpose of this handbook is to help answer those questions or to direct you to the proper source. Usually, this will be your supervisor, who is responsible for assuring that your questions and concerns are dealt with promptly and thoroughly. Keep this handbook with your other GM booklets and information--that way you'll be able to use it as a ready reference, whenever needed.

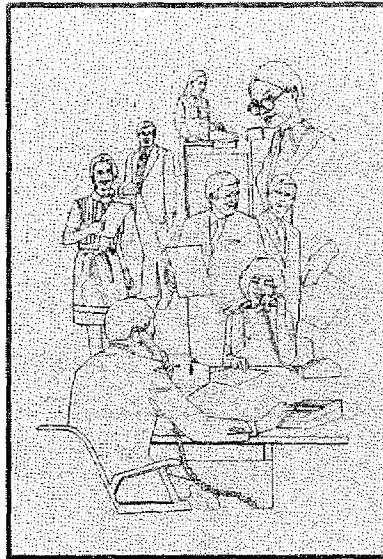
### Benefit Programs for GM Salaried Employees

Benefit programs for salaried employees are explained in the booklet "Your GM Benefits" which also is available to you, and in supplements which may be distributed as necessary. You should review that material to become familiar with the substantial protection available to you and your family through your participation in the various GM benefit programs. Among the many fine programs available to you are:

- \* The Savings-Stock Purchase Plan
- \* The Employee Stock Ownership Plan
- \* The Profit Sharing Plan
- \* The Personal Retirement Income Plan
- \* The Life and Disability Insurance Program
- \* The Health Care Insurance Program
- \* The Retirement Program
- \* The Layoff Benefit Plan
- \* The Income Protection Plan
- \* The Flexible Compensation Program

These programs will provide you with a very high degree of protection and substantial financial security. To assist them, many GM people have found it helpful to seek the advice of a professional--a banker, attorney or financial advisor--regarding wills, trusts, and other aspects of financial and estate planning.





## 1. YOUR WORK ENVIRONMENT

Our personnel policies are designed to help build a work environment which recognizes you as a valuable resource, whose full involvement in the business is not just desirable but essential to the success of the Corporation. In turn, General Motors trusts that you will give your very best efforts and will work cooperatively with others to accomplish General Motors' business goals. Thus, there is a strong partnership between you, your supervisor and all other GM people, in which the good of each person depends on the willing cooperation and trust of all the others.

### General Motors Employee Relations Objectives

To foster this environment, GM has three overall employee relations objectives. First, to help assure that you are treated with dignity and respect in your relationship with the Corporation; second, to recognize you as an individual; and third, to help you and all GM people grow on the job and work as a team so that we will have the highest quality work force.

### Equal Employment Opportunity and Affirmative Action

In keeping with our goals of individual recognition and treatment characterized by dignity and respect, we extend hiring, transfer, and promotional opportunities to qualified applicants and employees without regard to age, race, color, sex, religion, or national origin. Our policy is to make reasonable accommodation to the limitations of qualified handicapped persons, including handicapped veterans, and to provide them with employment opportunities to the extent practicable.

We regard sexual harassment as a violation of our Equal Employment Opportunity Policy. You should express your concerns if you feel you have been subject to harassment, and you should have no fear of retaliation by raising them. All complaints will receive a thorough and prompt investigation.

The Corporation has established affirmative action programs at its plant and office facilities to ensure that positive steps are taken to fully utilize minorities, women, handicapped persons, disabled veterans, and veterans of the Vietnam era throughout the salaried work force consistent with their skills, interest, and experience. Compliance reviews are scheduled by the federal government at GM locations to monitor our activities, and General Motors provides the government with annual written progress reports.



**Advancement  
Based on Merit**

General Motors has a well-defined selection process which is in operation at every GM location to make decisions regarding hiring, promotions, transfers, and other forms of movement. As a matter of policy, the selection process is not to be influenced by an individual's personal, social, or family relationships. Selection decisions must be based exclusively on merit, and capable of withstanding critical review.

**Right to  
Privacy and  
Access to  
Files**

Our policy is to collect only that personal employee information that is relevant and necessary to perform essential business functions. For example, no records are to be gathered or maintained concerning your associations, your political activities, your personal publications or communications, or of your nonemployment activities, unless submitted or authorized by you in writing and required for a regular business function.

Access to personal employee information is limited to those with a legitimate need for such information in the performance of their job duties. Moreover, information about you is not to be released outside GM without your consent with the exception of verification of your employment for credit approval purposes, information on employment dates for employment reference checks, and information which must be disclosed by law, court order, or upon request of an appropriate governmental authority.

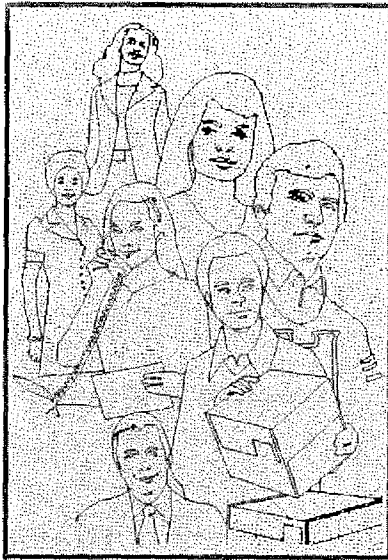
Finally, you may examine your personnel records by inquiring at your Personnel Department. If you believe the records are not accurate, you may place a statement of reasonable length in your file describing the facts as you see them. You may also obtain copies of any document in your personnel file.

**Review and  
Approval of  
Personnel  
Changes**

A review and approval process is followed to assure that personnel decisions are fair and equitable for all concerned. Several levels of management must give their approval whenever your relationship to GM changes by promotion, transfer, leave of absence, separation, or for any other reason.

In addition, your personnel Department reviews all proposed changes to ensure that they are consistent with GM salaried personnel policies and procedures.





## 2. YOUR EMPLOYMENT STATUS AND LENGTH OF SERVICE

Your employment status and length of service are important to you because they affect your eligibility for certain GM benefit programs, your vacation eligibility, and the manner in which the policies described in this handbook apply to you.

### Employment Status

With regard to employment status, all GM employees are one of the following:

- **First Year Employee**

The first year of your employment is called the Orientation and Development period. At the time you are employed your employment is on a day-to-day basis. Assuming a continued mutual employment interest, you become a regular salaried employee after twelve months.

- **Regular Employee**

As a regular employee, your employment is on a calendar month-to-month basis. If you work part time on a regular and continuing basis, and work at least half your employing unit's base workweek, you too are a regular employee after you have completed a twelve-month period. Regular employee status enables you to share in the privileges associated with salaried employment, as described throughout this handbook. If you are employed on a salary plus commission basis, your commission earnings are considered when determining your participation in certain benefit programs.

- **Flexible Service Employee**

If you are hired on an indefinite basis and work between 50% and 80% of a unit's base workweek, you are categorized as a flexible service employee. Policies and benefits that apply specifically to this status of employment are outlined in a separate employee communication.

- **Temporary Employee**

If you are hired to be a vacation substitute, to be called in at irregular intervals, or for short-term emergency work of less than twelve months duration, you are a temporary employee. You are employed on a day-to-day basis and are paid for days or portions of days actually worked.



• *Cooperative Student*

Employees enrolled in an educational program which combines school with work in a GM unit are cooperative students. Cooperative students accumulate length of service and are entitled to special benefit coverages if scheduled to work at least half of the employing unit's base work schedule.

• *Regular Employee--Temporary Assignment*

Laid off regular employees may be called back on a temporary basis to fill short-term openings of up to six months. These employees are classified as Regular Employee -- Temporary Assignment.

### **Length of Service**

Your length of service may include the following:

- All of your unbroken salaried employment with GM, its wholly-owned subsidiaries, and certain operating companies acquired by GM, including the Orientation and Development Period and periods of temporary and flexible service employment worked within the 18-month period immediately preceding your attainment of "regular" status.
- Your recognized hourly-rate employment when it precedes 12 months of continuous salaried employment in the same unit and your recognized hourly-rate employment at another GM unit which precedes a transfer to a salaried position made with the approval of both units.
- Time spent in school and on GM work assignments if you are a cooperative student at any recognized college or university. The time spent in school and on GM work assignments by high school cooperative students generally is recognized only at the time of regular employment following completion of the cooperative education program.
- All or a portion of time you spend on an approved leave of absence, depending on the nature of the leave.
- Time preceding certain separations (as well as time absent under some circumstances) if you are reemployed within 12 months.
- All GM summer employment of a college student employed in a summer training program which precedes regular employment with GM upon graduation.
- Up to 24 months of any continuous period while on "layoff inactive" status,\* provided length of service is not broken or is reestablished.

### **Your length of service is broken by:**

- A quit or discharge.
- A layoff which exceeds the lesser of (a) your length of service acquired at the time of layoff, or (b) five years.
- A mutually satisfactory release or final release if you are not reemployed within the succeeding 12 months.
- A special separation. However, if you are reemployed within the succeeding 12 months, your length of service will be adjusted upon recommendation of your employing unit and after review and approval by GM Central Office.

If you have further questions about your employment status or your length of service, a representative of your Personnel Department will be pleased to answer them.

\*"Layoff inactive" status is described in Section 8 of this brochure.





### 3. RELATIONSHIPS AND RESPONSIBILITIES

An organization's reputation is built on the actions of its people, and General Motors owes its present high standing to all its employees, past and present. You play an important part in building and maintaining the Corporation's reputation by conducting yourself in an ethical manner. It goes without saying that in all of your GM relationships you should use discretion in confidential matters, deal fairly and honestly with fellow employees, and respect the rights and dignity of all persons with whom you come in contact, within or outside GM.

#### Guidelines for Employee Conduct

A booklet entitled "Guidelines for Employee Conduct" is distributed from time to time to help you recognize the ethical issues surrounding your job. You should discuss any such questions that may arise with your management. If you ever have reason to believe that General Motors or any of its employees may be in violation of a law or regulation, it is very important to bring it to management's attention immediately. In doing so, you help GM and you are protected by GM policy from any form of reprisal or discrimination.

#### Doing Your Part

Beyond the overriding responsibility to conduct yourself in an ethical manner, there are many other things you can and should do which will help you develop a productive and satisfying relationship with your co-workers, your supervisor and General Motors.

The first of these is to do the very best job you can on every assignment you are given. This means getting it done on time and getting it done right. It also means taking care of all the details surrounding the assignment so that others don't have to pick up the loose ends. Finally, it means using good judgment, asking questions, anticipating problems, taking the initiative to prevent them and offering your ideas on how to get the job done better.

Another very special responsibility is to be at work every day and on time unless there is a very good reason for being absent or late. For this reason, you are encouraged to take active steps to maintain your health, both physically and mentally. Your reputation for attendance and punctuality is an extremely important consideration in determining your readiness and capacity for more responsibility, and it will have a definite effect on your relationship with your co-workers and your supervisor.



Cooperation and loyalty comprise yet another set of responsibilities. By being helpful to others and by supporting GM – its people and its products – you will build a positive image and reputation with those around you.

Finally, you will find it helpful to have a good understanding of GM as a whole—its objectives, plans, problems and positions on public issues that affect the business. To your friends and neighbors, you are General Motors; if you can respond to their questions about GM in an accurate and knowledgeable way, you will help GM by building their understanding of the Corporation and what it is trying to accomplish. You can also help GM by expressing your position on public issues to your elected representatives.

#### Your Supervisor

Relationships and responsibilities are, of course, a two way street. General Motors knows that if you are to do your job most effectively, you need the support of a knowledgeable supervisor. As a consequence, GM supervisors are selected carefully and trained to provide you and others with coaching, counseling, recognition and constructive assistance, when it is needed. Your supervisor will also take time to be a good listener when you have questions or concerns about your work, your career or any other aspect of your relationship to General Motors.

The most important tool to help you and your supervisor meet your responsibilities and develop a strong working relationship is effective two-way communications of an ongoing nature. In addition there are three formal tools which are designed to aid the communications process and your relationship with your supervisor. They are the GM Appraisal Program, the Open Door Policy and Quality of Worklife activities.

#### The GM Appraisal Program

The purpose of the GM appraisal process is to establish communication with employees, help employees improve their job performance and develop their capacity for advancement. It also provides management with information on the depth and quality of the salaried work force and facilitates compensation, selection and personnel planning decisions.

Your supervisor will appraise your performance at least annually. If you are a new employee, this will occur at least twice during your first year on the job. However, it is recognized that in certain unusual circumstances, it may not be possible to adhere to such a schedule.

The GM Appraisal Program has four principal parts. In the first, performance planning, the key elements or objectives of your job as well as the related performance standards are specified in advance so that you will know the basis of your assignment. The second part calls for you and your supervisor to have periodic, informal discussions about how you are doing so that there will be no surprises when your performance is formally appraised. You or your supervisor may initiate these discussions.

When it is time to write your appraisal, the third part of the process, your supervisor will develop a written appraisal of your performance and review it with higher management to help assure that it is accurate and fair. Other managers with whom you have work contacts may also provide input to your appraisal.

During the final part, the appraisal interview, all sections of the written appraisal form and your appraisal worksheet will be discussed with you. You will be asked to write your comments and sign the appraisal form, to acknowledge that your appraisal interview has taken place. The completed forms are then reviewed by the Personnel Department to assure that all required steps have been followed. If you disagree with your appraisal, you are encouraged to use the GM Open Door Policy.



The Open  
Door  
Policy

Once all of the four parts, as described, have been completed the appraisal cycle should begin again with performance planning.

The objective of the Open Door Policy is to make sure you have an open channel of communication to your supervisor and to other managers when you have a question, concern or complaint about any aspect of your relationship with General Motors.

Although it focuses on resolving differences—and that is an important objective—the intent of the Open Door Policy is that the “doors” of management are open to you for any reasonable purpose. For example, if you have questions about GM policies, or if you want guidance concerning training and development or career opportunities, or if you wish to discuss any other matter, you are encouraged to talk with your supervisor. You should understand, of course, that using the Open Door will not always result in the action you desire. However, it does provide you the opportunity to review your concerns not only with your supervisor but, if necessary, with higher levels of management. It also guarantees an objective and thorough review of your situation.

To use the Open Door, you should follow the steps below:

- Talk with your supervisor as soon as a concern or question arises. It is your supervisor's responsibility to take time to discuss any questions or concerns related to your GM employment. Experience has shown again and again that open and direct communication between you and your supervisor is the best way to resolve questions, concerns and misunderstandings quickly and effectively.
- If you and your supervisor cannot resolve your concern, your supervisor will help you seek resolution through higher levels of management in your department.
- Although you are urged to talk with your supervisor first, there may be situations in which you prefer not to do so. In these instances, the Open Door permits you to contact the Personnel Department. The Personnel Department generally will work through your supervisor or a higher level manager to resolve the matter within your department. If the matter cannot be resolved in your department, the Personnel Department will arrange for a review by the head of your employing unit. Employees of multi-plant units who are not satisfied with the response from the head of their employing unit would then have their cases further reviewed by writing to the Personnel Director at their group, division or staff. The group, division or staff Personnel Director will review such cases for the unit head and will respond to the employee.
- If your questions or concerns have not been resolved to your satisfaction within your group, division or Central Office Staff, you are free to request a further review through General Motors Central Office, in Detroit. These requests should be made in writing to the Vice President, Personnel Administration and Development Staff, who will make the final determination for the Corporation. Your case will be reviewed with you and your management and you will receive a written response.



When using the Open Door you are assured not only freedom from reprisal, but also active assistance from your management to resolve your concerns at the lowest possible level in a timely manner. To this end, there is a designated person in your Personnel Department whose responsibility is to assure that your concern is understood clearly by management. Local procedure at your unit is designed to give you an answer to your concerns in about 15 working days. Should you request a review at GM Central Office, every effort will be made to resolve your situation within 30 working days. The policy is designed to protect you from improper treatment by assuring you an open channel of communication and a thorough review of the facts and circumstances surrounding your situation.

**Quality  
of Work Life  
Activities**

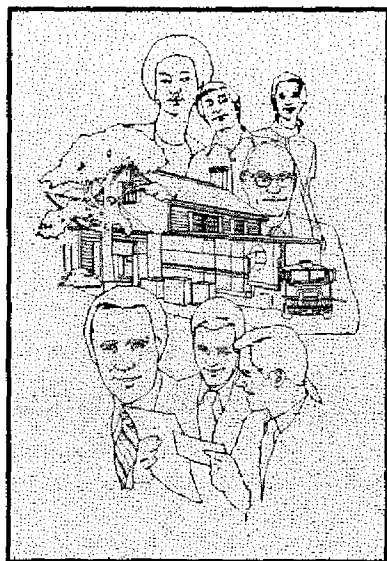
Many GM units are actively working to increase the involvement of their employees through specific quality of work life activities. These activities may take the form of employee problem solving groups working on day-to-day problems that occur in the work place, employee task forces to work on specific unit concerns, business teams, management information sharing meetings, or other long or short term activities aimed at bringing you more information or soliciting your ideas. All of these are important efforts to increase your unit's effectiveness and improve the work environment while involving you in the decision making process. Increasingly, GM people are finding the quality of work life process is an integral part of successful business operations.

**The Quality  
of Work Life  
Survey**

The Quality of Work Life Survey is administered from time to time in your unit so that you can express how you feel about many different aspects of your work situation. For example, the survey asks how you feel about the way you are treated, your relationship with your supervisor, your physical working conditions and your economic well-being. It also asks how you feel about your career, your growth and development on the job and your opportunity to become involved and to participate in decisions.

The survey is conducted on a voluntary basis and is completed anonymously. Results are compiled by an independent firm in such a way that no individual can be identified, and all results are shared openly with employees and supervisors so improvement plans can be developed. In this way, the survey becomes an important part of your unit's effort to assure that productive and satisfying relationships exist between you, your supervisor and General Motors.





#### 4. YOUR COMPENSATION

##### Objectives of the GM Compensation Program

The objectives of General Motors compensation program are to attract, retain and motivate the highest caliber people, to pay salaries that are competitive and to reward employees for their performance.

To meet these objectives, the compensation program is structured around levels of responsibility and salary ranges.

##### Levels of Responsibility

Given the wide range of jobs within General Motors, a structure is needed to assure that salaried people are compensated fairly, in line with the responsibilities of their jobs. This has been accomplished by classifying most GM salaried jobs into eight levels of responsibility. The higher the level, the greater the responsibility of the position occupied. Beyond and outside of these eight levels are a very few highly specialized positions in a professional/technical salary structure as well as a number of top executive positions.

##### Salary Ranges

Within each of the eight levels of responsibility are salary ranges that determine the pay opportunities available for each job in the level. Each salary range overlaps the next and "stair steps" upward as the level of responsibility increases. Each range defines the dollar minimum and dollar maximum that General Motors generally pays for a particular job. An individual's salary may move within the range based upon his/her performance of that job. The salary ranges themselves are adjusted from time to time to make certain that they are competitive with those of other major corporations.



Performance Pay System	<p>Most salaried employees are compensated using the Performance Pay System, a system based on individual performance.</p> <p>All salary increases other than promotional increases are based solely on merit. Hence, the Performance Pay System emphasizes the importance of job performance and your salary progress depends on your performance appraisal.</p> <p>In the Performance Pay System, many employees in each salary range receive a salary that is close to the midpoint, the competitive salary for the positions in that level. Fewer people are paid at either end of the range because the lower part of the salary range is used primarily for those who are developing in their jobs, while the higher part is for a few top performers. Salary ranges in the Performance Pay System have maximums that facilitate midpoint salary administration and allow higher salaries to be paid to top performers and permit competitive compensation for employees near the midpoint.</p>
Merit Increases	<p>To recognize individual performance and contribution, a fund is established from which your division or staff may grant individual merit increases. Merit increases will vary from one person to the next, both in timing and amount based upon each person's performance. The amount of money available for merit increases is determined by the Corporation, taking into account economic conditions, competitive salary movement, the cost of living and the Corporation's competitive position.</p> <p>Your supervisor or salaried personnel representative can explain how the Performance Pay System affects you.</p>
Promotional Increases	<p>Promotional increases are granted to employees when they assume new and increased responsibilities or in recognition of increased proficiency on their current responsibilities. A specific amount of money is not allocated by the Corporation for this purpose; units may grant such increases as the need arises. The first type of promotion, known as a bona fide promotion, occurs when there is an identifiable opening for which candidates may be considered. An individual is selected on the basis of performance and management's judgment of a person's potential for handling the increased responsibility. As a general rule, managers ask these kinds of questions when considering a person for promotion:</p> <ul style="list-style-type: none"><li>• Does the person have the appropriate education, experience and skills needed to perform the new assignment?</li><li>• Has job performance been consistently high over a significant period of time?</li><li>• Does the person produce high quality work without close supervision or continual guidance?</li><li>• Has the person been able to influence others and maintain positive working relationships with others?</li></ul>



A second type of promotion, known as proficiency promotion, is given in recognition of growing competence in performing one's existing responsibilities.

**Salary  
Premiums  
and Overtime  
Premiums**

In addition to base salary you may be eligible to receive a premium for night shift work or for working a schedule which requires continuous seven day operations.

Moreover, if your position is covered by the Fair Labor Standards Act, you will be paid for overtime when you are required to work more than forty hours a week. Employees who are exempt\* from the Act normally work a certain amount of casual overtime as a part of their job responsibilities.

**The GM Bonus  
Plan**

The GM Bonus Plan provides bonus eligible employees in top management positions an opportunity to earn incentive compensation, over and above base salary. A very small number of employees who are not bonus eligible also may be awarded bonuses under the Special Awards Program. These awards give special recognition to employees with very exceptional performance and potential.

The amount of bonus fund, if any, is determined by the Board of Directors' Incentive and Compensation Committee each year, based on the economic performance of the Corporation.

**Payment of  
Moving  
Expenses  
and Relocation  
Premiums**

If you are transferred as the result of a plant closing, transfer of operations or for the convenience of the Corporation to a GM plant or office at least 35 miles farther from your current home than your previous place of work, it is the general policy of the Corporation to reimburse you for reasonable and necessary moving expenses incurred in changing your permanent residence. Additionally, you may qualify for a mortgage interest rate differential payment, which provides a monthly reimbursement based on the rate of your existing mortgage and the mortgage rate on your new residence for a period of time.

If the transfer is to an area with unusually high living costs, you also may be eligible for a relocation premium. It is designed to compensate you for a portion of the living cost differential between Detroit (GM's headquarters) or Oshawa in Canada and the high-cost area until you become accustomed to living in the new location. This premium is calculated as a percentage of base salary and is paid in installments over a period of several years, depending upon the location.

\*Employees whose duties and responsibilities are of an executive, administrative, or professional character, as described under the Act, may be considered as "exempt" employees in the sense of being exempted from the provisions of the Act. All employees not considered "exempt" are "non-exempt" and subject to the Act.





## 5. VACATIONS, HOLIDAYS AND LEAVES

### Vacation Policy and Eligibility

General Motors provides vacation with pay so that you can enjoy regular periods of rest and relaxation that will enable you to contribute even more effectively to GM. For this reason, it is the Corporation's policy to insist that you take all vacation to which you are entitled each year. Vacation time may not be carried over into the next year, nor is pay given in place of vacation, except when your employment ends and you have unused vacation days remaining.

To receive a vacation with pay in the current calendar year, you must be a regular salaried employe and have been on the active roll on December 31 of the previous year and not terminated or laid off on that date—or you must have been employed on a regular basis prior to March 31 of the current calendar year.

The tables below show your vacation eligibility if you are employed in a classified position.

Vacations for Employees Hired After October 1 of the Previous Year	
Employment Date	Vacation with Pay
After March 31 (current year)	None until following year
January 1 to March 31 (current year)	1 Week
Oct. 2 to Dec. 31 (previous year)	1½ Weeks



Vacations for Employees Hired Prior to October 2 of the Previous Year	
Length of Service as of Oct. 1 of Current Year	Vacation With Pay
1 Year but Less than 3	2 Weeks
2 years but Less than 5	2½ Weeks
5 years but Less than 10	3 Weeks
10 Years but Less than 15	3½ Weeks
15 Years but Less than 20	4 Weeks
20 or More Years	5 Weeks

Employees in bonus eligible positions on December 31 of the preceding year will be granted four weeks of vacation unless they qualify for five weeks based on length of service of at least 20 years as of October 1 of current year.

If you are a cooperative student and are regularly scheduled to work at least half of your employing unit's regular work schedule, you are eligible for approximately one half the vacation time off shown in the above tables. Your Cooperative Education Coordinator can advise you of your exact eligibility.

#### Other Considerations

##### *If You Transferred From an Hourly-Rate Job*

If you transferred from an hourly job, the length of your vacation will be adjusted to take into account vacation pay received as an hourly-rate employee as well as payments you may have received under the Paid Absence Allowance provision.

##### *If You Returned From Layoff or Leave of Absence*

Your salaried personnel representative will advise you of the length of your vacation when you return to work following any layoff or leave of absence.

##### *When Your Employment Ends*

When your employment ends, your vacation may be settled by pay in place of vacation, time off, or a combination of the two. Any pay in place of vacation will be reduced to account for vacation already taken in the calendar year. If your active employment ends during the current year and you were on the active payroll on December 31 of the previous year, you will be eligible for vacation in accordance with the above tables. Should your employment end on December 31, you are not eligible for any vacation in the year following.



**Holidays** As a salaried employee, you will receive paid holidays which may vary slightly in number from year to year as a result of the number of work days between Christmas and New Year's Day. Following is a holiday schedule for a typical year, based on past experience.

- New Year's Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day and the day following
- Christmas Eve day, Christmas Day and the work days which fall between Christmas and New Year's day

The Memorial Day holiday may be replaced by another day of greater local importance in certain communities. Also, if your job involves marketing or financing of GM products, your holidays might vary from the above schedule but still be equal in number.

If a recognized holiday falls within your vacation period, you will receive an extra day of vacation. Similarly, should a recognized holiday fall on a Saturday or Sunday and your normal workweek is Monday through Friday, you will receive a day off during your workweek.

**Leaves of Absence** There may be occasions when you must be absent for reasons other than vacation or holidays. If you are absent for seven consecutive calendar days or less and the absence is excused, you will continue to be compensated as usual. If you must be absent for longer than seven days, GM policy provides disability, military and special leaves of absence for regular salaried employees.

**Disability Leaves of Absence** If you are absent for more than seven consecutive calendar days as a result of sickness or accident, you will be given a disability leave of absence upon verification of the disability.

As a general rule, your length of service will accrue for up to 12 months while you are on a Corporation approved disability leave. However, if you are on a Corporation approved disability leave and your absence is due to an accident or disease covered by a worker's compensation law, your length of service will accrue for the entire disability leave.

If you are a classified employee on disability leave, your base salary will continue as shown in the following table. Any Sickness and Accident benefits (S & A) you may receive from the GM Insurance Program will be subtracted from your base salary.



Salary Continuation Schedule for Disability Leave of Absence	
Years of Length of Service	Period of Combined Salary, & S&A* Ins. Ben.
Less than 1	1 Week
1 but Less than 5	8 Weeks
5 but Less than 10	13 Weeks
10 or More	26 Weeks

\* Sickness and Accident Insurance includes any Workers Compensation or state disability benefits and certain Social Security benefits.

After receiving the above payments, S & A benefits at 75% of base salary continue as provided by the GM Insurance Program.

If you are a bonus eligible employee, your regular compensation will continue while on disability leave on a basis consistent with S & A provisions for classified employees.

If you are still disabled after receiving salary continuation and Sickness and Accident benefits for the maximum period, you may be eligible for monthly extended disability benefits. For further information about these and other benefits available in the event you are disabled, refer to the salaried employee booklet, "Your GM Benefits."

#### Special Leaves of Absence

Special leaves of absence to cover a variety of circumstances may be requested.

##### *Personal Reasons*

You may be given a special leave of absence for personal reasons, usually without pay, for up to six months. Under very unusual circumstances, a special leave may be granted with pay for a period of up to one month if your length of service is at least one year, or one week if your service is less than one year.

Up to three months of time spent on special leave of absence for personal reasons will be included in computing your length of service.

##### *Government Service*

A government service leave is available if you wish to serve on a full or part-time basis in a local, state or federal elective office or appointed position, excluding civil service positions, for which a salary, wages or other payments are provided. It also will cover the period of an election campaign.



Government service leaves may be either informal or formal and are without pay. An informal leave applies in the case of intermittent short-term absences from work. A formal leave will be granted if the government office or position requires full-time absence. The duration of a formal leave is limited to the initial term of an elective office and to one year for an appointed position. Extensions are available on leaves of less than four years but the continuous period of any government service leave may not exceed four years. You will continue to accrue length of service while you are on a formal special leave of absence for government service for 12 continuous months.

Prior to making any long-range commitments to government service, you should discuss the matter with your supervisor and Personnel Department.

#### *Jury Duty*

Should you be called for jury duty, you may be granted a leave for this purpose. You will be paid base salary, and, if applicable, night shift premium for the first seven consecutive calendar days of absence. Thereafter, you will receive base salary. Salary payments for such leaves of absence exceeding one month's duration require special approval. Fees which you receive while on jury duty are not deducted from your GM compensation.

#### *Educational Purposes*

If you wish to continue your formal education, you may be given an educational leave of absence without pay. The leave may be for a period of up to 12 months and may be extended upon written request. The first 12 months of a special leave of absence for educational purposes will be included in computing your length of service upon your return to work following the leave.

#### *Military Reserve Training*

Because of the importance of the reserve components of the Armed Forces and the National Guard to the defense of the nation, GM policy ensures that the job and career opportunities of its employees are not limited or reduced because of their service in these units.

A special leave of absence of up to 90 days may be granted to take part in annual training or special active duty with a reserve component of the Armed Forces or the National Guard. If your GM length of service is at least one year, you will receive your regular pay from GM for up to two weeks of such leave in any calendar year, reduced by any military pay received, other than pay for rations, subsistence and travel. Upon returning to work, the entire period of your leave, up to 90 days, is included in computing your length of service.

Salary payments may be made for up to 30 days if additional active service is required because of an emergency.



Military  
Leaves of  
Absence

If you enter into active service in the Armed Forces of the United States, you will be granted a military leave of absence without pay. Your leave will be the term of your initial enlistment, plus one consecutive reenlistment, but not beyond eight years, unless the additional service is involuntary.

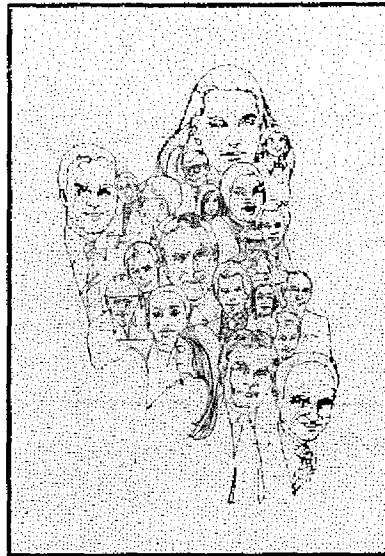
The entire period of the leave is included in computing your length of service, provided you apply for reemployment within the period specified in the leave.

Completion of  
A Leave of  
Absence

Although a leave of absence does not guarantee reemployment at the end of the leave, every effort is made to return you to your former position or to a similar one for which you are qualified. In the case of reemployment from an educational leave of absence, efforts will be made to place you in a position which is consistent with your education.

If you are not reemployed following an approved leave of absence, your employment relationship will end as a Special Separation. However, if you were on a Disability Leave, Military Leave, or Special Leave for Government Service, you will be placed on layoff-inactive status if conditions are such that you would have been laid off had your active employment continued. You may then receive layoff benefits or separation allowance payments, if otherwise eligible.





## 6. OPPORTUNITIES FOR PERSONAL DEVELOPMENT

General Motors is interested in your development and offers a number of programs and services that will help you in this regard. Underlying all of them is the belief that development cannot occur without your involvement. Many successful GM employees have found that the best first step in the development process was to think through and establish their personal goals and self-development plans.

If you decide to begin planning your self-development, it will not, of course, guarantee that all of your career goals will be accomplished with GM. There are many factors you cannot control in your planning such as the state of the economy, the availability of jobs in the Corporation, and the skills and abilities of others who might aspire to the same type of work that you do.

Since there can be no guarantee and because there are many uncontrollable factors, some people wonder whether career goal setting and self-development is really worth the effort.

We'd like to suggest that it is worth it, and we encourage you to do it. The reason is simple: GM's policy is to fill openings by promotion from within General Motors whenever possible. By planning your own development and then carrying out your plans, you are controlling the things that you can do something about—your skills, your knowledge, your performance and your qualifications—and as you do something about these things, you improve your chances of getting where you want to go.

### International Service

GM is an international company with worldwide operations in many countries. You may be asked to consider taking an assignment at a GM unit located outside the U.S. or Canada as an ISP (International Service Personnel). Such assignments can be personally rewarding for you and your family and can contribute substantially to your career development opportunities.

### Career Development Guide

A Career Development Guide has been prepared to help you begin thinking about your career goals and self-development. It contains a thought process to follow for goal-setting, information about salaried careers in GM and a brief description of the GM resources available to you. You may obtain a copy of the Career Development Guide from your Personnel Department.



**Training  
Philosophy**

Because of the importance of training and development to GM's future, there is a formal Philosophy of Training statement. Among other things, this philosophy states that training is a continuing process designed to increase the effectiveness of individuals so they can contribute to the Corporation's mission and implement its guiding principles. Additionally, the goal of training is of mutual benefit—for the individual and General Motors. Among those instances when training is important are:

- When a person enters the organization.
- When a person is about to assume new job responsibilities.
- When a person's job performance requires improvement.
- When new conditions require changes in technology, products, policies, practices and procedures.
- When a person leaves the organization due to the closing or indefinite suspension of an operation, to help secure other employment more readily.

Such training may take place on the job or in classrooms as required.

**Commitment  
to Salaried  
Training**

To help you reach your goals, GM has made a commitment to salaried employees that their training and development needs will be assessed continually and that funding will be available to meet those needs.

**Training  
Priorities  
Committees**

A formal training and development system is established as a means to assure the effective coordination of training policy and activities in line with corporate and unit operating goals and individual needs. This includes a Corporate Training Priorities Committee and similar committees with local responsibilities at the group, division and plant. When functioning fully, these committees have the responsibility to identify, assess and prioritize the training needs of people in their units, include these as plans in the unit strategic business plan, provide adequate funding, and generally oversee the training function.

**Formal  
Training  
Programs**

The Corporation provides a wide range of formal training programs to meet the needs of GM people in supervisory, managerial, marketing, technical and other fields of work. GM supervisors participate in special GM training programs to assure that they have the knowledge and skills to perform their jobs, especially with regard to their employee relations responsibilities.

Additionally, most GM units have pre-supervisory training programs, for which any employee may apply. As a general rule, these programs are made available as the need arises for additional supervisors and applications are invited through bulletin board notices. Your Personnel Department can answer any questions you may have about pre-supervisory training and other training programs available at your location.

**Training for  
Women and  
Minorities**

A number of training programs have been made available by GM in agreement with the Equal Employment Opportunity Commission. Included are: career development workshops for clerical employees; automobile familiarization workshops; preassessment supervisory training for women; re-assessment training for supervisory candidates; awareness programs focusing on careers in the skilled trades; and a program to help individuals earn associate degrees in drafting and other technical fields. Your Training Department can provide information on how these programs may apply to you.



**The Tuition  
Assistance  
Plan**

This plan offers GM employees an opportunity for general self-development as well as for improving specific skills. Thousands of salaried employees have used the Tuition Assistance Plan as a vital step in furthering their careers. Generally speaking, all active salaried employees are eligible to take advantage of the plan. Those not eligible are flexible service employees, temporary employees, students in cooperative education programs, and persons on educational or other special leaves of absence.

Under this plan tuition will be prepaid directly to approved institutions. However, you will be required to submit evidence of satisfactory completion of programs submitted for payment and could be subject to repayment of the assistance if the course is not successfully completed. Assistance received under any one of the categories listed below would reduce, on a dollar-for-dollar basis, the assistance available in other categories.

The maximum amount for degree programs at regionally accredited colleges is:

- \$2,000 per year for graduate programs plus two-thirds payment by GM of the excess costs between \$2,000 and \$5,000;
- \$1,500 per year for undergraduate programs plus two-thirds payment by GM of the excess costs between \$1,500 and \$5,000.

The maximum amount for non-regionally accredited degree programs, and other non-degree job related programs, including certain professional development courses, is \$1,000 per year. Programs of a recreational or hobby nature, such as flying, photography or karate will not be covered.

It's important to remember that the courses you select must be judged as contributing to your future career development. Also, by first discussing your educational objectives with your supervisor or a Personnel Department representative you can often receive valuable guidance toward selecting the most appropriate courses for meeting your specific interests and career goals.

Generally, salaried employees placed on layoff with one year or more of service, will be eligible for up to \$5,000 Tuition Assistance to be used for any career related education within four years following layoff, unless reemployed at GM or elsewhere at 75% or more of their last GM base salary.

**General  
Motors  
Fellowship  
Plan**

The GM Fellowship Plan is available on a competitive basis to employees with a bachelor's degree and a minimum of one year of full-time GM work experience over and above any other experience as a cooperative student. Fellowship awards for graduate educational programs are provided in two broad fields: engineering/technical and business administration/management. Tuition, fees, annual book allowance and relocation expenses are provided for Fellowship recipients. GM Fellows are classified as regular GM employees, receive 50% of base salary and participate in all benefit plans for regular salaried employees.

Applications for Fellowships are invited annually, usually in January. Applicants are evaluated on the basis of job performance, academic background, Graduate Record Examination or Graduate Management Admissions Test scores, career objectives, their management's assessment of future potential, and the applicant's being admitted to a graduate school approved by the Corporation to be in the Fellowship Program. In addition, applicants must acknowledge their intention to continue employment with GM upon graduation.



**Deferred  
Employment/  
Graduate  
Study Plan**

The Deferred Employment/Graduate Study Plan enables a number of the most able of GM sponsored students, such as those in the Scholarship Plan, or college cooperative education programs, to go directly from undergraduate programs to graduate study.

Candidates are nominated annually by their employing units and selections are based on performance during internships, grade point average, GRE or GMAT scores and long-range career potential. When the student accepts GM sponsorship, there must be a mutual commitment to full-time GM employment when the graduate degree is completed. Tuition, fees, an annual book allowance and a stipend are provided to those sponsored under the Plan.

**Transfer  
Request  
Process**

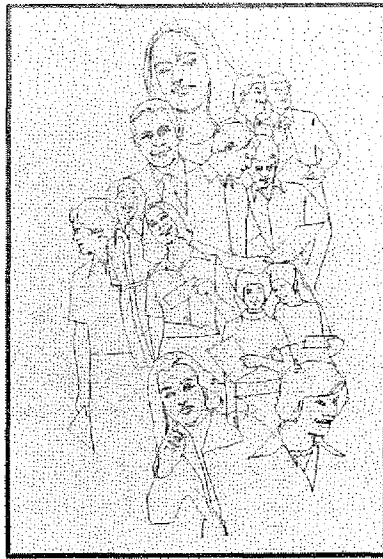
General Motors provides the means by which salaried employees can request a transfer to another General Motors unit. Regular salaried employees with at least a "Good Competent" appraisal rating who desire salaried opportunities with other GM units may submit an Application for Transfer Form (GM 1420) to their Personnel Department. Please recognize that opportunities are available only to the extent that openings occur in positions for which you may be qualified. If you would like to request a transfer or obtain more information on the transfer process, contact your Personnel Department.

**Dual Career  
Couples Policy**

The Dual Career Couples Policy assists dual career couples by providing communication channels through which information can be shared among working parents within the work force. It also provides for relocation considerations in dual career situations in several ways:

- Non-GM spouses of relocated GM employees may receive reimbursement of up to \$1,000 for job search expenses.
- GM spouses of relocated non-GM employees can request a 12 month leave of absence and GM will consider them for placement in the new location.
- GM spouses of relocated GM employees may request a 12 month leave of absence, and will receive preferential GM placement consideration. If not reemployed after one year such person would become a special separation.
- Travel reimbursements may be provided to employees for certain developmental assignments of twelve months or less so stressful relocations can be avoided.





## 7. GM SERVICES AND EMPLOYEE PROGRAMS

### Employee New Vehicle Purchase Program

The General Motors Employee New Vehicle Purchase Program provides you with money saving opportunities to purchase GM vehicles. The program has two options. Option 1 enables you to order a vehicle through a GM dealer. Vehicles purchased under this option will be at the discount price plus D & H and destination charges. Under Option 2, you negotiate the best price with the dealer and then receive a refund allowance of 5% of the vehicle's list price (excluding D & H and destination charges). The refund will be made to you or, with dealer approval, you may assign it to the dealer to help offset the purchase price.

You may participate in the Plan if you are:

- An active salaried employee on regular, flexible service, part-time, commission or salary plus commission status with length of service of six months or more.
- A college cooperative student with six months of service or more, including school and work.
- A newly hired recent college graduate who is hired into a position which generally requires a four year college degree.

You may also buy used GM vehicles driven in company service, if available, which also carry a discount. If you buy a new or used GM vehicle through the Corporation, you must comply with requirements concerning registration and retention of the vehicle. For further information on vehicle discounts, including model specifications and vehicle order information, contact your Personnel Department or a General Motors dealer near your home.

### Suggestion Plan

You can demonstrate your creativity and make an important contribution to the success of GM by submitting your ideas to improve GM's products and reduce GM's costs. Through the General Motors Suggestion Plan, your ideas can be transformed into reality.

Generally speaking, if you are a classified employee, you are eligible to receive awards for adopted suggestions unless it is a part of your job responsibilities to develop new ideas. Your suggestions should be submitted on forms available at your location. The rules governing the GM Suggestion Plan appear on these forms.

The largest awards are given for suggestions that help to reduce and avoid costs or improve product quality. After suggestions have been evaluated and adopted, awards equal to one-fifth (20%) of the first year's new savings are paid to the suggester. Awards can range in size from a minimum of \$25 to a maximum of \$20,000. The Suggestion Committee at each plant or division is responsible for making eligibility decisions and determining awards.



For more information about the GM Suggestion Plan, contact your supervisor or a representative of the Suggestion Department.

**Medical  
Facilities**

All major GM locations have well equipped medical facilities staffed by physicians, nurses and medical technicians.

These departments provide medical care while you are at work. They conduct physical examinations prior to employment and are available for consultation with employees. They also treat work related injuries and illnesses. In addition, the medical staff seeks to prevent disability or illness by means of counseling, early detection and referral of medical problems.

The purpose of these services—available to you as an employee at no cost—is not to replace those of your personal physician, but to provide additional help in maintaining your health.

**Substance  
Abuse/  
Employee  
Assistance  
Program**

Family problems, alcohol abuse, legal, marital, stress reaction, drug abuse, emotional illness, financial problems: if your life or job is being affected by one of these problems, either directly or by someone you care for, you may find that your usual solutions do not work. If so, the Employee Assistance Program may be able to provide you with some alternatives.

Alcohol and drug related disorders are the most frequent medical and social problems being experienced by employees seeking help. For this reason, your unit's Medical Director or another qualified person will consult with employees about the nature of alcohol or drug dependency and whether treatment is indicated.

Employees who seek help are assured confidentiality (as they would be for any other medical problem) and must make the final decision with regard to following the recommended course of action. When medical treatment requires absence from work, a disability leave of absence will be made available.

Alcohol or drug abuse by an employee becomes a concern to GM when it interferes with job performance. It is recognized that it may cause problems away from work long before job performance is affected and employees are encouraged to seek assistance before performance starts to decline.

An employee who brings his or her problem under control and whose job performance becomes satisfactory will be assured that his or her job security is not jeopardized. However, no special privileges or exemptions apply. If an employee does not cooperate in obtaining treatment and in improving job performance, then a decision will be made as to that employee's suitability for continued GM employment.

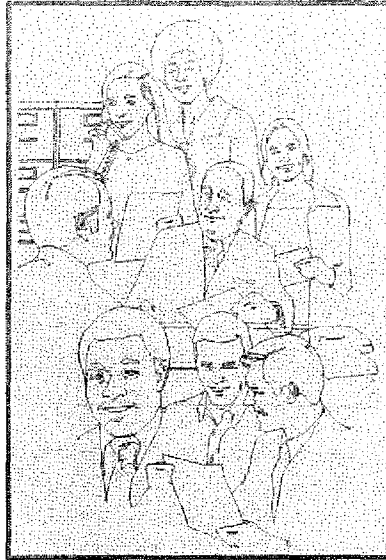
**General Motors  
Acceptance  
Corp. (GMAC)/  
Motors  
Insurance Corp.  
(MIC) Services**

GMAC and MIC, General Motors finance and insurance subsidiaries respectively, have a variety of programs and services available for salaried employees. GMAC programs include financing for new and used vehicles at special employee rates which can be arranged through your GM dealer. Home mortgages and investment opportunities are also available through GMAC. Additional information can be obtained and arrangements made for these services by contacting a GMAC office.

MIC offers automobile insurance, homeowner/renter insurance, mortgage life insurance, and mechanical repair protection plans for both new and used cars. Information and service can be obtained through an MIC office.

The services offered by GMAC/MIC provide General Motors salaried employees with highly competitive finance and insurance options plus convenience including payroll deduction in many instances.





## 8. EMPLOYMENT SECURITY

The management of General Motors recognizes that employment security is important to GM and to its people, and the Corporation has a good record of providing employment security for its salaried employees. Continuous employment is important because employees who are secure in their jobs, will better direct their attention to the objectives of the job and because layoffs place a very real burden on the affected employees and their families. GM policies and benefits have important interrelated objectives:

- To enhance the continuous employment opportunities of regular salaried employees and thus minimize layoffs, and
- To provide substantial benefit and income protection for employees who unavoidably are placed on layoff.

General Motors formal policy with respect to employment security for classified salaried employees is contained in the following policy statement:

"Salaried employees with one year of service whose performance is consistent with GM's standards will not be laid off due to outsourcing, productivity improvements and new technology. Layoffs may occur as a result of declines in volume of business, shifts in market preferences or reorganizations. However, when layoffs in such situations become unavoidable, salaried employees will have income security through the Layoff Benefit Plan and, for longer service employees, the Income Protection Plan. In order to continue to have employment and income security, employees must be willing to accept offers of suitable employment in their home units or elsewhere in GM."

Retraining and placement efforts will be made when practicable to avoid layoffs in other situations; i.e., declining volume, market shifts and reorganization. However, management will continue to have available the option of layoff.



In the event that outsourcing, productivity improvements or introduction of new technology result in the need for fewer salaried employees, units will first attempt to achieve the necessary reductions through the separation of non-regular employees. If salaried manpower is still in excess of unit needs, redundant regular salaried employees will be identified through the existing reduction-in-force policy. However, those employees will not be laid off but will be placed in transitional status.

"Transitional employees" may participate in training, function as a trainer, replace another employee for training, or function in a temporary assignment at their home unit or at another GM location within the community. Transitional employees will be utilized to fill regular openings in their home units or elsewhere in GM in line with salaried recall policies.

Inter-  
Divisional  
Placement

Although GM cannot always guarantee the same job in the same classification, level or location, the Corporation will do its best to find jobs which recognize the skills, abilities and experience of employees on layoff or in transitional status. By means of the Human Resources Management Inventory, GM can identify employees on layoff and make their skills, abilities and interests known to other GM units. Before any new employee is hired, employees registered in this system will be given preferential consideration for placement in jobs for which they are qualified, in the community or even nationwide under certain circumstances.

In support of this commitment to employment security, laid off employees and transitional employees need to be receptive to accepting new career opportunities. Therefore, to be eligible for continued preferential consideration and the security provided by your GM benefits, laid off employees must accept offers of employment at their home unit or from another GM unit within their community which pay at least 80% of the base salary prior to layoff. For this purpose, "community" includes any GM location within 25 miles of your home, or, if greater, the number of miles you traveled to work prior to being laid off. Laid off higher level employees (6th level and above) must accept offers of employment outside the community which pay at least 105% of the base salary prior to layoff to continue their benefits. Those employees who are fifth level and below who are interested in opportunities outside their communities may make application for transfer as described on page 22.

Reduction  
in Force  
Procedures

If layoffs become unavoidable, reductions in the work force are made separately by each department and job classification. However, several departments having common job classifications may be combined for this purpose, provided the work is interchangeable. Reductions will be made generally in the order of least total Corporate length of service for employees with five or more years of length of service and with a performance rating of Good Competent or higher. This is done in recognition of the commitment by these employees to a career with GM. Exceptions may be made, for instance, in the case of employees who have demonstrated outstanding ability and potential or who possess critical skills or abilities. In applying the "least service" concept to an employee whose service includes time spent as an hourly-rate employee, total Corporate length of service is recognized after the employee has completed 12 months of continuous salaried service.

In recognition of the need to retain the very best employees and the desire to provide longer service employees with improved job security, short service employees (those with less than five years' length of service) will be selected for layoff first and the sequence of layoff will be on the basis of their performance appraisal ratings.



Further, before any employees are actually laid off, they will be considered for other jobs they can perform capably with minimal training in the same or another department at the same level, or lower. Employees with five or more years of service may displace others with less service. Employees with less than five years of service may displace shorter service employees on the basis of performance or, if performance is equal, on the basis of service. Employees with previous hourly-rate service will be given an opportunity to return to hourly-rate employment, if possible.

Finally, people who are to be laid off will be given advance notice. They will be told why the reduction is necessary, how they were selected, their status while laid off, the impact on various benefit plans and the help provided by the Layoff Benefit Plan and the Income Protection Plan.

**Income  
Security**

For salaried employees who are laid off, the income security provided by GM is unparalleled in American industry. Regular classified employees with one to ten years length of service may receive up to twelve months of very substantial income protection from the GM Layoff Benefit Plan. And, for employees with 10 or more years' length of service, these benefits can continue for up to 24 months.

Bonus eligible employees with one or more years of service, may receive comparable income protection under the Separation Allowance Plan.

After Layoff Benefit Plan payments stop, continuing unemployed eligible employees with 15 or more years' service at time of layoff (10 years if the layoff is due to plant closing) may, receive benefits under the Income Protection Plan until retirement benefits begin. Further information on the Layoff Benefit Plan and the Income Protection Plan is available from your Personnel Department.

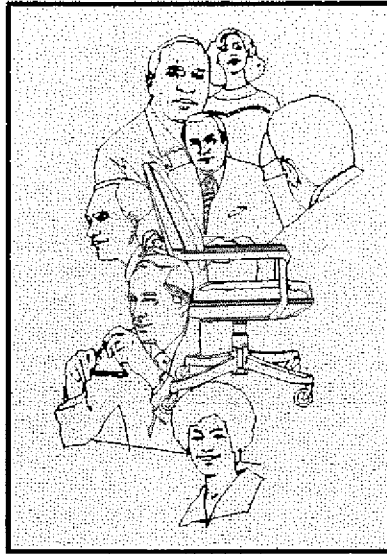
**Status of  
Laid Off  
Employees**

Regular salaried employees with at least Good Competent performance selected for layoff will be placed on "layoff-inactive" status, which indicates they should receive consideration for reemployment.

Employees may remain on layoff-inactive status for up to 24 months, or a period of time equal to their length of service at the time of layoff, whichever is less. Employees with less than twelve months of service are not eligible to be placed on inactive status but will be placed on layoff-separated status.

The period for which an employee will have preferential consideration for other jobs in GM is five years or a period of time equal to their length of service at the time of layoff, whichever is less.





## 9. WHEN YOUR GM EMPLOYMENT ENDS

You and GM have much to gain from a long employment relationship. Nevertheless, that relationship will end at some point in time. Either you or General Motors may take the initiative, or there may be a mutual agreement to end the relationship. It is important for you to know how your separation is classified because the separation classification has a direct bearing on your eligibility for GM benefit plans.

### Separation Classifications

#### *Retirements*

All separations at age 60 or after are classified as retirements, except in the event of death or in cases involving unsatisfactory performance. Additionally, certain types of retirements can occur prior to age 60. Normal retirement age is 65, although you may choose to work until age 70, at which time retirement becomes automatic.

Your age and credited service at retirement, as well as whether the retirement is initiated by you, by management or on a mutually satisfactory basis, will determine your specific retirement classification and thereby will affect the level of your retirement benefits.

For this reason you should review the booklet "Your GM Benefits" which provides detailed information on the level of retirement benefits available under varying sets of circumstances. Additionally, if you are actively considering retirement, be sure to discuss your personal situation with a representative of your Personnel Department before making a decision.

#### *Quit*

A separation is classified as a quit if:

- You resign from the Corporation prior to age 60 and are not able to retire; or
- You do not report to work at the end of an approved leave of absence and in accordance with the terms of the leave; or
- You are on layoff-inactive status and do not accept a suitable offer of reemployment.

#### *Discharge*

A discharge is the separation of an employee prior to age 60 for personal conduct in the course of his or her duties such that the employee's continued employment would not be in the best interests of the Corporation.



Reasons for discharge may include dishonesty, willfull violation of instructions or Corporate Policy, insubordination, or refusal to comply with governmental requirements related to employment. In addition, conduct reflecting badly on the Corporation, even if it occurs away from the job, may be viewed as grounds for discharge.

*Final Release*

A final release is the separation of an employee because of unsatisfactory performance of assigned duties or physical or mental incapacity to perform assigned duties. It is GM's policy that a final release should be made promptly when it is determined that an employee's performance is unsatisfactory.

*Mutually Satisfactory Release*

The separation of an employee prior to age 60 which cannot properly be classified as a quit, final release or layoff but which is satisfactory to both GM and the employee, is called mutually satisfactory release.

*Special Separation*

The separation of an employee prior to age 60 which cannot be properly classified under any of the above classifications is a special separation.

**Exit  
Interview**

Employees who resign or leave GM as a result of Corporation initiated action will be given an exit interview, if feasible. In the case of a GM initiated separation, the exit interview will be the occasion for informing the employee of the reasons for separation and his or her status as a separated employee as well as the impact on participation in the GM benefit plans.

**Payment for  
Contractual  
Period of  
Employment**

Unless separated as a quit or a discharge or because of death, a separated employee will receive any unearned base salary for the remainder of the contractual period of employment (calendar day or month as the case may be) in which the separation occurred.

Corporation policy allows for an immediate emergency cash payment of one month's salary to the surviving spouse, children or other member of the immediate household of a deceased regular salaried employee who was receiving salary when death occurred.

**Separation  
Allowance**

A Separation Allowance Plan has been established for the benefit of salaried employees separated from the payroll under certain circumstances. The Separation Allowance Plan is not applicable in the event of (1) transfers between GM and any of its wholly owned or substantially wholly owned domestic and foreign subsidiaries or (2) separation from any GM wholly owned or substantially wholly owned domestic or foreign subsidiary or for separation arising out of the sale of a GM unit where the employee continues employment with the buyer.



Separation allowance is payable only to employees with at least 12 months of salaried service. Classifications for which separation allowance may be payable are:

- Final Release
- Mutually Satisfactory Release
- Certain Special Separations
- Certain retirements where benefits are not payable under the Retirement Program
- Layoff-inactive, if the employee is bonus-eligible

Payment of separation allowance is normally made in monthly installments. The amount of separation allowance is based on "average monthly base salary" and length of service as shown in the table on the following page, except in situations in which the employee is separated as a Final Release due to poor performance. In this instance, the separation allowance may not exceed 280% of average monthly base salary. "Average monthly base salary" means the average base salary during the last 12 or 36 months worked, whichever produces the higher amount.

For classified employees on a salary-plus-commission basis, separation allowance is based only on the employee's base salary and does not include any commission or supplemental compensation determined by sales or earnings.

Bonus eligible employees are eligible to receive monthly layoff payments under the Separation Allowance Plan while on layoff-inactive status. However, they are not eligible for benefits under the Layoff Benefit Plan. Any separation allowance payments will be reduced by the amount of any unemployment compensation or other income as defined under the Layoff Benefit Plan for classified employees.



## SEPARATION ALLOWANCE AS % OF AVERAGE MONTHLY BASE SALARY\*

LENGTH OF SERVICE	%
1 year up to 3 years	50
3 years up to 4 years	75
4 years up to 5 years	100
5 years up to 6 years	125
6 years up to 7 years	150
7 years up to 8 years	175
8 years up to 9 years	200
9 years up to 10 years	240
10 years up to 11 years	280
11 years up to 12 years	325
12 years up to 13 years	370
13 years up to 14 years	415
14 years up to 15 years	460
15 years up to 16 years	505
16 years up to 17 years	550
17 years up to 18 years	600
18 years up to 19 years	650
19 years up to 20 years	700
20 years up to 21 years	750
21 years up to 22 years	800
22 years up to 23 years	850
23 years up to 24 years	900
24 years up to 25 years	950
25 years up to 26 years	1000
26 years up to 27 years	1050
27 years up to 28 years	1100
28 years up to 29 years	1150
29 years and over	1200

\*The inclusion of a schedule of separation allowances in this handbook, together with the conditions governing their payment, is not intended nor is it to be interpreted to establish a contractual relationship with the employee.



In closing...

This booklet has been written in a general way, to cover what are considered to be the most important highlights of GM's salaried personnel policies. If you would like to have more detailed information about how any GM salaried policy may apply to you, talk with your supervisor or a representative of your Personnel Department. They will be happy to answer your questions. You may discard your old Working With General Motors booklet, because this edition replaces all previous editions and all of the information contained in them.

To better meet the needs of GM people and GM, policies have been modified from time to time. GM believes this should occur only when absolutely necessary, and that when it does occur, you should receive a prompt and full explanation of the changes and the reasons behind them. Your management intends to meet this commitment to full and open communication.

While the policies and procedures in the booklet do not constitute a legal contract, and do not modify the month-to-month employment relationship (which in fact may not be altered, amended or extended by any employee, representative or agent of GM) described on page 4, GM does believe they represent a good basis for a productive relationship between you and GM. For this reason, we are committed to their full implementation in every GM unit and to their sound administration. Finally, to assure that our salaried personnel policies will lead to a good, long-term relationship with you, we are interested in what you think of them. Please feel free to make your views and suggestions known by utilizing the GM Open Door Policy described on page 8.



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